

# PARAGON UNION BERHAD (286457-V)

## QUARTERLY REPORT

Quarterly report on consolidation results for the financial quarter ended 30th September 2000  
The figures have not been audited.

### CONSOLIDATED INCOME STATEMENT

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30/09/2000 RM'000	30/09/1999 RM'000	30/09/2000 RM'000	30/09/1999 RM'000
1 (a)	Turnover	11,350	7,148	27,947	18,491
(b)	Investment Income	-	-	-	-
(c)	Other income including interest income	103	4	524	11
2 (a)	Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	1,934	540	4,503	1,147
(b)	Interest on borrowings	(132)	(387)	(624)	(2,207)
(c)	Depreciation and amortisation	(525)	(499)	(1,610)	(1,532)
(d)	Exceptional items	-	-	(604)	-
(e)	Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	1,277	(342)	1,665	(2,581)
(f)	Share in the results of associated companies	-	-	-	-
(g)	Profit/(Loss) before taxation, minority interests and extraordinary items	1,277	(342)	1,665	(2,581)
(h)	Taxation	(28)	-	(61)	-
(i) (i)	Profit/(Loss) after taxation before deducting minority interests	1,249	(342)	1,604	(2,581)
(ii)	Less minority interests	-	51	-	165
(j)	Profit/(Loss) after taxation attributable to members of the company	1,249	(291)	1,604	(2,416)
(k) (i)	Extraordinary Items	-	-	-	-
(ii)	Less Minority Interests	-	-	-	-
(iii)	Extraordinary Items attributable to members of the company	-	-	-	-
(l)	Profit/(Loss) after taxation and extraordinary items attributable to members of the company	1,249	(291)	1,604	(2,416)
3	Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any:				
(i)	Basic (based on ordinary shares - sen)	1.78	(2.08)	3.08	(17.26)
(ii)	Fully diluted (based on ordinary shares - sen)	-	-	-	-

#### Remarks :

The basic earnings per share for the current and preceding year are based on the weighted ordinary shares of RM1 each as follows:

70,000,000	14,000,000	51,996,000	14,000,000
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# PARAGON UNION BERHAD (286457-V)

Quarterly Report On Consolidation Results For The Financial  
Quarter Ended 30 September 2000

## Consolidated Balance Sheet

	(UNAUDITED) As at End of Current Quarter 30/9/2000 RM'000	(AUDITED) As at Preceding Financial Year End 31/12/1999 RM'000
1 Fixed Assets	31,513	31,366
2 Investment in Associated Companies	-	-
3 Long Term Investments	5,071	-
4 Intangible Assets	-	-
5 Current Assets		
Stocks	8,027	5,633
Trade Debtors	10,927	5,130
Sundry Debtors, Deposits and Prepayments	20,781	19,003
Time Deposits	7,528	7
Cash and Bank balances	685	346
	<u>47,948</u>	<u>30,119</u>
6 Current Liabilities		
Trade Creditors	4,836	2,925
Other Creditors and Accruals	3,452	5,081
Hire Purchase and Finance Lease Liabilities	74	726
Bank Borrowings	4,239	35,253
Taxation	51	757
	<u>12,652</u>	<u>44,742</u>
7 Net Current Assets/(Liabilities)	35,296	<b>(14,623)</b>
	<u>71,880</u>	<u>16,743</u>
8 Shareholders' Funds		
Share Capital	70,000	14,000
Reserves		
Share Premium	2,929	2,929
Revaluation Reserve	8,892	8,892
Merger Reserve	<b>(7,547)</b>	<b>(7,547)</b>
Accumulated Loss	<b>(2,445)</b>	<b>(4,049)</b>
	<u>71,829</u>	<u>14,225</u>
9 Minority Interests	-	-
10 Bank Term Loans	-	499
11 Hire Purchase and Finance Lease Liabilities	51	2,019
	<u>71,880</u>	<u>16,743</u>
12 Net tangible assets per share (sen)	102.61	101.61

## Notes

### 1) Accounting Policies

The quarterly financial statements have been prepared based on accounting policies and methods of computation which are consistent with those adopted in the 31<sup>st</sup> December 1999 Annual Report.

### 2) Exceptional Items

There were no exceptional items for the financial quarter under review.

### 3) Extraordinary Items

There were no extraordinary items for the financial quarter under review.

### 4) Taxation

The provisions for income tax do not contain any deferred taxation or adjustments in respect of prior years.

### 5) Pre-acquisition Profits

There were no pre-acquisition profits for the financial quarter under review.

### 6) Profit on sale of Investments and/or Properties

There were no disposals of investments or properties for the financial quarter under review.

### 7) Purchase and Disposal of Quoted Securities

a) There was no purchase or disposal of quoted securities for the financial quarter under review.

b) Summary details of all investments in quoted securities at the end of the reporting period are as follows:

	RM
	'000
Total investments at cost	5,071
Total investments at book value	5,071
Total investment at market value as at 30 <sup>th</sup> Sept. 2000	2,660

8) Changes in the composition of the Group

There were no changes in the composition of the Group for the financial quarter under review.

9) Status of Corporate Proposals

There were no corporate proposals announced but not completed at the date of this announcement.

10) Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors for the financial quarter under review.

11) Issuance and Repayment of Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial quarter under review.

12) Group Borrowings

The total group borrowings are as follows:

	30 September 2000 RM'000
<u>Short Term Bank Borrowings</u>	
Secured:	
Bills payable	1,672
Bank overdrafts	857
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Sub-total	2,529
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Unsecured:	
Bills payable	760
Bank overdrafts	950
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Sub-total	1,710
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Total	4,239
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### 13) Contingent Liabilities

There were no contingent liabilities which, in the opinion of the Board of Directors, will or may substantially affect the ability of the Group to meet their obligations as and when they fall due.

### 14) Off-Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at 13<sup>th</sup> October 2000, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

### 15) Material Litigation

- i) A writ has been filed at the Shah Alam Court on 28<sup>th</sup> December 1999 against Transpac Capital Pte Ltd and Transpac Industrial Holdings for the recovery of RM 1,230,000 deposit sum paid and RM1,230,000 in liquidated damages. An application for summary judgement has been filed on 31<sup>st</sup> January 2000 and the application was fixed for hearing on 10<sup>th</sup> May 2000. However, on that date the matter was not listed and our solicitor has since written to court for a new hearing date. At present, no hearing has been fixed by the Court.
- ii) A writ has been filed at the Shah Alam Court on 27<sup>th</sup> January 2000 against Wong Chee Kong and Poh Hock Leng ("Wong & Poh") for the recovery of RM16,540,000 deposit sum paid and RM3,821,850 in liquidated damages. Paragon Union Berhad received the Defence and Counterclaim from Wong & Poh's solicitor on 18<sup>th</sup> February 2000 for the sum of RM4,470,000 in liquidated damages and RM105,875 for special damages. An application for summary judgement has been filed on 1<sup>st</sup> March 2000 by Paragon Union Berhad. A decision has been fixed on 10<sup>th</sup> August 2000. However, on that date the matter was postponed to 30<sup>th</sup> October 2000.

### 16) Segmental Reporting

No segmental analysis is presented as the Group is involved in a single industry segment relating to the manufacturing of carpets. The business of the Group is entirely carried out in Malaysia.

#### 17) Quarterly Profit before tax comparison

There is a 18% increased in turnover in the current quarter compared to the last quarter from RM9,622,000 to RM11,350,000 and the Group has achieved a profit before taxation of RM1,277,000 compared to RM591,000 in the preceding quarter.

The 116% increased in profit before taxation was mainly due to the growth in turnover and increased in profit margins.

#### 18) Performance Review

The Group recorded a 51% increased in turnover in the current financial year to date compared to the preceding year to date from RM18,491,000 to RM27,947,000 and has achieved a profit before taxation of RM1,665,000 in the current financial year compared to a loss before taxation of (RM2,581,000) in the preceding year to date.

The increased in turnover was due to better performance in the car carpets and automotive components as a result of the stronger growth in the automotive industry for the first 9 months of the current period compared to the preceding year corresponding 9 months. This is in line with growing consumer confidence which has a positive effect on private consumption this year.

#### 19) Current Year Prospects

With the stronger automotive industry and expected growth in the hospitality industry and residential property market, current year prospects look favourable and barring unforeseen circumstances, substantial improvements in the performance of the Group are expected.

#### 20) Profit Guarantee

Not applicable

#### 21) Dividend

No interim dividend has been declared for the financial quarter under review.