

Announcement

Subject : PROPOSED PRIVATE PLACEMENT OF 7,000,000 NEW ORDINARY SHARES OF RM1.00 EACH IN PARAGON UNION BERHAD ("PUB") REPRESENTING 10.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY ("PROPOSED PRIVATE PLACEMENT")

Date Announced : 21/01/2002

Reference No. : KK-020121-69405

Type : Announcement

Company Name : Paragon Union Berhad

Stock Name : Paragon

Content:

Further to our announcement on the Proposed Private Placement on 28 December 2001, Public Merchant Bank Berhad ("PMBB") wishes to announce that the Securities Commission ("SC") had, vide its letter dated 17 January 2002, approved the Proposed Private Placement, as proposed.

The utilisation of the proceeds from the Proposed Private Placement is subject to the following conditions:

(i) the SC's approval is required for any variation in utilisation of the proceeds for purposes not related to the core business of PUB;

(ii) shareholders of PUB must be informed of the proposed utilisation of the proceeds and should there be any variation, appropriate disclosures should be made to the shareholders of PUB;

(iii) any extension of time in utilising the proceeds must be approved by a final resolution from the Board of Directors of PUB and must be announced in detail to the Kuala Lumpur Stock Exchange; and

(iv) appropriate disclosures are required to be made on the status of the utilisation of the proceeds in the Company's quarterly reports and annual report until the proceeds are fully utilised.

The SC's approval for the Proposed Private Placement is subject to the following conditions:

(i) the placement price for the Proposed Private Placement is to be fixed based on the requirements set out in the amended Guidelines on Private Placement issued on 3 September 2001 ("Guidelines on Private Placement");

(ii) PMBB or the placement agent is required to furnish to the SC with the final list of placees in relation to the Proposed Private Placement and confirmation that the Proposed Private Placement is in compliance with the relevant requirements under the Guidelines on Private Placement; and

(iii) PUB is to fully comply with other requirements in relation to the Proposed Private Placement as set out in the Guidelines on Private Placement and relevant requirements as stipulated in Chapter 25 of the SC's Policies and Guidelines on Issue/Offer of Securities.

Upon completion of the Proposed Private Placement, PMBB and PUB are to confirm in writing that all the terms and conditions imposed above have been complied with.