

# Announcement

<b>Subject</b>	:	MATERIAL LITIGATION
<b>Date Announced</b>	:	03 Jul 2014
<b>Reference No.</b>	:	CC-140702-2E241
<b>Description</b>	:	PARAGON UNION BERHAD ("PUB") - KUALA LUMPUR HIGH COURT SUIT NO: D8-22-737-2009 PARAGON UNION BERHAD v. PRESTAMEWAH DEVELOPMENT SDN. BHD. & LIW JUN WAI ("the said Material Litigation")
<b>Type</b>	:	General Announcement
<b>Company Name</b>	:	Paragon Union Berhad
<b>Stock Name</b>	:	Paragon

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## Content:

Further to the announcements made on 9 February 2010, 10 February 2010, 26 May 2010 and the First Quarter Results ended 31 March 2014 released on 27 May 2014 which stated, amongst others, the following status of the said Material Litigation:-

On 17 May 2010, the Federal Court dismissed the Company's application for leave to appeal against the decision of the Court of Appeal which set aside the interlocutory mandatory order by the High Court on 16 November 2009 compelling the defendants to refund RM18,000,000 to the Company.

Following that, the Company made an application for summary judgment and the hearing was fixed on 9 December 2010.

On 14 March 2011, the Court heard the Company's application for summary judgment for the refund of RM18,000,000 together with liquidated damages, interest and costs. The application was dismissed as the learned Judicial Commissioner was of the opinion there were triable issues such as alleged misinterpretations prior to the contract, despite their contention that the Share Sale Agreement is a standalone agreement and no extrinsic evidence was permissible.

The Company has instructed the solicitors to proceed with an appeal to the Court of Appeal and also to apply for the sum of RM18,000,000 to be paid into court by the defendants.

The Record of Appeal has been lodged with the Court of Appeal on 12 August 2011.

The Company's appeal was fixed for hearing on 1 March 2012. The Court dismissed the Company's appeal and directed the matter to be fixed for full trial.

The Court further fixed the suit for continued trial on 27 March 2013 and subsequently on 10 April 2013 and 23 April 2013.

The Court concluded trial of the matter and fixed for oral submissions on 5 September 2013.

The Court fixed for further submissions on 3 December 2013 and continued submission on 14 February 2014.

The matter was heard by the Timbalan Pendaftar who then fixed 22 April 2014 (mutual date for all 4 parties) as the next date for hearing of the oral submissions.

The Court further fixed the decision date to be on 18 June 2014.

All the above updates have been disclosed in the Company's quarterly results and Annual Reports.

The Board of Directors of PUB wishes to announce that on 18 June 2014, PUB has been informed in writing by its solicitors, Kamarudin & Partners, that the Court has not allowed PUB's claim for the refund of RM18,000,000 ("said Decision").

However, PUB's solicitors has strongly advised that the said Decision be appealed to the Court of Appeal. Accordingly, PUB has on 1 July 2014 filed an appeal with the Court of Appeal against the said Decision.

Further announcement on the development of the above matter will be made in due course.

This announcement is dated 2 July 2014.