

# PARAGON UNION BERHAD

Company No. 286457-V  
(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014

### CONTENTS

|  | Page |
|--|------|
| CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND<br>COMPREHENSIVE INCOME                     | 1    |
| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION   | 2    |
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  | 3    |
| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS   | 4    |
| NOTES TO THE INTERIM FINANCIAL REPORT  | 5-8  |
| ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES LISTING<br>REQUIREMENT (APPENDIX 9 B) | 9-12 |

**PARAGON UNION BERHAD (286457-V)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

|   | Individual Quarter      |  | Cumulative Quarter      |                           |
|---|-------------------------|--|-------------------------|---------------------------|
|   | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To Date | Preceding Year<br>To Date |
|   | 31/03/2014<br>RM'000    | 31/03/2013<br>RM'000                       | 31/03/2014<br>RM'000    | 31/03/2013<br>RM'000      |
| Revenue   | 9,968                   | 11,676                                     | 9,968                   | 11,676                    |
| Cost of Sales   | (8,887)                 | (10,588)                                   | (8,887)                 | (10,588)                  |
| Gross Profit  | 1,081                   | 1,088                                      | 1,081                   | 1,088                     |
| Operating expenses                                      | (1,713)                 | (1,787)                                    | (1,713)                 | (1,787)                   |
| Other operating income                                  |                         |  |                         |                           |
| Profit from operations                                  | (632)                   | (699)                                      | (632)                   | (699)                     |
| Finance costs   | (315)                   | (327)                                      | (315)                   | (327)                     |
| Loss before Taxation                                    | (947)                   | (1,026)                                    | (947)                   | (1,026)                   |
| Taxation  |                         |  |                         |                           |
| Net Loss/total comprehensive expenses<br>for the period | (947)                   | (1,026)                                    | (947)                   | (1,026)                   |
| Loss/total comprehensive expenses attributable to:      |                         |  |                         |                           |
| Owners of the Company                                   | (947)                   | (1,026)                                    | (947)                   | (1,026)                   |
| Non-controlling interest                                |                         |  |                         |                           |
|   | (947)                   | (1,026)                                    | (947)                   | (1,026)                   |
| Loss per share (sen)                                    |                         |  |                         |                           |
| - Basic   | (1.46)                  | (1.59)                                     | (1.46)                  | (1.59)                    |
| - Fully Diluted   | -                       | -  | -                       | -                         |

(The Condensed Consolidated Statements of Profit or loss and other Comprehensive Income should be read in conjunction with the audited Annual Financial Statement for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

# PARAGON UNION BERHAD (286457-V)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

|   | As at<br>End of<br>Current<br>Quarter<br>31/03/2014<br><br>RM'000 | As at<br>Preceding<br>Financial<br>Year End<br>31/12/2013<br>(Audited)<br>RM'000 |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-Current Assets</b>   |   |  |
| Property, Plant and Equipment   | 32,899  | 33,254   |
| Deferred Tax Asset  | 72  | 72   |
|   | <u>32,971</u>   | <u>33,326</u>  |
| <b>Current Assets</b>   |   |  |
| Inventories   | 23,797  | 22,292   |
| Trade and Other Receivables   | 28,063  | 32,105   |
| Tax recoverable   | 509   | 550  |
| Cash and Bank balances  | 630   | 879  |
|   | <u>52,999</u>   | <u>55,826</u>  |
| <b>TOTAL ASSETS</b>   | <u><u>85,970</u></u>  | <u><u>89,152</u></u>   |
| <b>EQUITY AND LIABILITIES</b>   |   |  |
| <b>Capital and reserves</b>   |   |  |
| Share Capital   | 70,000  | 70,000   |
| Reserves, non-distributable   | (4,618)   | (4,618)  |
| Retained Earnings   | (4,564)   | (3,617)  |
| Treasury Shares, at cost  | (4,221)   | (4,221)  |
| <b>Equity attributable to equity holders of the parent/Total equity</b> | <u>56,597</u>   | <u>57,544</u>  |
| <b>Non-controlling interests</b>  | <u>(19)</u>   | <u>(19)</u>  |
|   | <u>56,578</u>   | <u>57,525</u>  |
| <b>Non-Current Liabilities</b>  |   |  |
| Deferred Tax Liabilities  | 1,900   | 1,900  |
| Hire Purchase Liabilities   | 443   | 486  |
| Bank Borrowings   | 1,937   | 2,117  |
|   | <u>4,280</u>  | <u>4,503</u>   |
| <b>Current Liabilities</b>  |   |  |
| Trade and Other Payables  | 5,934   | 8,938  |
| Hire Purchase Liabilities   | 146   | 143  |
| Bank Borrowings   | 18,366  | 17,393   |
| Tax Payables  | 666   | 650  |
|   | <u>25,112</u>   | <u>27,124</u>  |
| <b>TOTAL LIABILITIES</b>  | <u>29,392</u>   | <u>31,627</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | <u><u>85,970</u></u>  | <u><u>89,152</u></u>   |
| <b>Net Assets Per Share (RM)</b>  | <b>0.87</b>   | <b>0.89</b>  |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited Annual Financial Statement for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

# PARAGON UNION BERHAD (286457-V)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2014

|  | ← Attributable to Equity Holders of the Parent → |                                    |                          |                           | Retained Earnings<br>RM'000 | Total<br>RM'000 | Non-Controlling Interest<br>RM'000 | Total Equity<br>RM'000 |
|--|--|------------------------------------|--------------------------|---------------------------|-----------------------------|-----------------|------------------------------------|------------------------|
|  | Non Distributable                                |                                    |                          | Distributable             |                             |                 |                                    |                        |
|  | Share Capital<br>RM'000                          | Assets Valuation Reserve<br>RM'000 | Merger Reserve<br>RM'000 | Treasury Shares<br>RM'000 |                             |                 |                                    |                        |
| <b>Balance as at 1 January 2014</b>                  | 70,000   |                                    | (4,618)                  | (4,221)                   | (3,617)                     | 57,544          | (19)                               | 57,525                 |
| Net loss total comprehensive expenses for the period |  |                                    |                          |                           | (947)                       | (947)           |                                    | (947)                  |
| <b>Balance as at 31 March 2014</b>                   | 70,000   |                                    | (4,618)                  | (4,221)                   | (4,564)                     | 56,598          | (19)                               | 56,578                 |
| <b>Balance as at 1 January 2013</b>                  | 70,000   |                                    | (4,618)                  | (4,221)                   | (3,032)                     | 58,129          | (17)                               | 58,112                 |
| Net loss total comprehensive expenses for the period |  |                                    |                          |                           | (585)                       | (585)           | (2)                                | (587)                  |
| <b>Balance as at 31 December 2013</b>                | 70,000   |                                    | (4,618)                  | (4,221)                   | (3,617)                     | 57,544          | (19)                               | 57,525                 |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Annual Financial Statement for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

|   | 3 Months<br>Period Ended<br>31.03.2014<br><br>RM'000 | 12 Months<br>Corresponding<br>Period Ended<br>31.12.2013<br>(Audited)<br>RM'000 |
|---|--|---|
| <b>Cash flows from operating activities</b>                   |  |   |
| Loss before taxation  | (947)  | (365)   |
| Adjustments for:  |  |   |
| Depreciation on property, plant and equipment                 | 685  | 2,945   |
| Gain on disposal of property, plant and equipment             | -  | 2   |
| Impairment for trade receivables                              | 120  | 120   |
| Interest expenses   | 315  | 1,247   |
| Interest income   | -  | (6)   |
| Operating profit before working capital changes               | <u>173</u>   | <u>3,943</u>  |
| Changes in working capital:                                   |  |   |
| Inventories   | (1,505)  | 1,663   |
| Trade & other receivables                                     | 3,922  | (5,190)   |
| Trade & other payables  | (3,003)  | 1,710   |
| Cash generated from/(used in) operations                      | <u>(413)</u>   | <u>2,126</u>  |
| Interest paid   | (315)  | (1,247)   |
| Interest received   | -  | 6   |
| tax (paid)/ refund  | 59   | (399)   |
| <b>Net cash generated from/(used in) operating activities</b> | <u>(669)</u>   | <u>486</u>  |
| <b>Cash flows from investing activities</b>                   |  |   |
| Purchase of property, plant & equipment                       | (330)  | (1,770)   |
| <b>Net cash used in investing activities</b>                  | <u>(330)</u>   | <u>(1,770)</u>  |
| <b>Cash flows from financing activities</b>                   |  |   |
| Proceeds from bank borrowings                                 | 457  | 794   |
| Repayments of hire purchase instalments                       | (40)   | (1,074)   |
| <b>Net cash generated from financing activities</b>           | <u>417</u>   | <u>(280)</u>  |
| <b>Net changes in cash and cash equivalents</b>               | (582)  | (1,564)   |
| <b>Cash and cash equivalent at beginning of period</b>        | <u>(11,324)</u>                                      | <u>(9,760)</u>  |
| <b>Cash and cash equivalent at end of period</b>              | <u>(11,906)</u>                                      | <u>(11,324)</u>   |
| <b>Cash and cash equivalents comprise the following:</b>      |  |   |
| Cash and bank balances  | 630  | 879   |
| Bank overdraft  | (12,536)   | (12,203)  |
| Cash and cash equivalents at end of the period                | <u>(11,906)</u>                                      | <u>(11,324)</u>   |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Selected Explanatory Notes:

- Part A – Explanatory Notes Pursuant to FRS 134 (Interim Financial Reporting)
- Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad

### Part A - Explanatory Notes Pursuant to FRS134

#### A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134 : “Interim Financial Reporting” and paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Group’s audited Financial Statements for the financial year ended 31 December 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

#### A2. Accounting policies

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise stated in the accounting policies below and in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and the provisions of the Companies Act, 1965 in Malaysia.

During the financial year, the Group and the Company have adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are relevant to their operations:-

#### MFRSs effective on 1 January 2013

|  |   |
|--|---|
| MFRS 10                                      | Consolidated Financial Statements   |
| MFRS 11                                      | Joint Arrangements  |
| MFRS 12                                      | Disclosure Interest in Other Entities   |
| MFRS 13                                      | Fair Value Measurement  |
| MFRS 119                                     | Employee Benefits   |
| MFRS 127                                     | Separate Financial Statements   |
| MFRS 128                                     | Investments in Associates and Joint Ventures  |
| IC Int 20                                    | Stripping Costs in the Production Phase of a Surface Mine   |
| Amendment to MFRS 7                          | Financial Instruments : Disclosures   |
| Amendment to MFRS 10,11 & 12                 | Consolidated Financial Statements, Joint Arrangements and Disclosures of Interest in Other Entities : Transition Guidance |
| Amendment to MFRS 101                        | Presentation of items of other comprehensive income   |
| Annual Improvements to MFRSs 2009-2011 cycle | Annual Improvements to MFRSs 2009-2011 Cycle  |

The Directors of the Group and of the Company are of the opinion that the abovementioned new MFRSs did not have any material financial and disclosure impacts to the financial statements during the financial year.

The Group and the Company have not applied the following accounting standards that have been issued by MASB but are not yet effective for the Group and the Company:-

MFRSs effective on 1 January 2014

|                        |   |
|------------------------|---|
| Amendments to MFRS 132 | Offsetting Financial Assets and Financial Liabilities   |
| Amendments to MFRS 136 | Recoverable Amount Disclosures for Non-financial Assets |
| IC Int 21              | Levies  |

MFRSs effective on 1 January 2015

|        |   |
|--------|---|
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in October 2010) |
|--------|---|

The Group and the Company plans to adopt the abovementioned MFRSs, IC Interpretations and amendments to MFRSs which are relevant to the Group's and to the Company's operations when they become effective.

The Directors of the Group and of the Company anticipate that the application of the above MFRSs, IC Interpretations and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company.

**A3. Qualification of Annual Financial Statements**

There has not been any qualification made by the auditors on the annual financial statements of the Group for the financial year ended 31 December 2013.

**A4. Seasonal or cyclical factors**

The Group's business operation results were not materially affected by any seasonal or cyclical factors during the current quarter under review and financial year to date.

**A5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the current quarter under review and financial year to date.

**A6. Material changes in estimates**

There was no material changes in estimates of amounts reported in the previous financial years which have a material impact in the current quarter under review.

**A7. Issuances, cancellation, repurchase resale and repayment of debts and equity**

There was no issuances and repayment of debt and equity securities, share buy-back, share cancellations and resale of treasury shares in the current quarter under review and financial year to date.

**PARAGON UNION BERHAD**  
**(Company No. 286457-V)**  
**Quarterly Announcement For The Quarter Ended 31 March 2014**

**A8. Dividends paid**

There was no dividend paid during the current quarter under review and financial year to date.

**A9. Segment Information**

Segmental information in respect of the Group's business segments is as follows:-

|                                 | Automotive     |                | Commercial     |                | Consolidated   |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                 | 31 Mar<br>2014 | 31 Mar<br>2013 | 31 Mar<br>2014 | 31 Mar<br>2013 | 31 Mar<br>2014 | 31 Mar<br>2013 |
|                                 | RM'000         | RM'000         | RM'000         | RM'000         | RM'000         | RM'000         |
| Revenue from External customers | 5,770          | 4,802          | 4,198          | 6,874          | 9,968          | 11,676         |
| Segment results                 | 124            | (860)          | (676)          | 334            | (552)          | (526)          |
| Unallocated Revenue             |                |                |                |                | -              | 2              |
| Unallocated expenses            |                |                |                |                | (395)          | (502)          |
| Profit / (Loss) before taxation |                |                |                |                | (947)          | (1,026)        |

**A10. Valuation of property, plant & equipment**

The property, plant and equipment of the Group are stated at cost less accumulated depreciation and accumulated impairment losses. Upon transition to MFRSs in the previous financial year, the group had applied the optional exemption to use the previous revaluation of its leasehold land and factory buildings and building improvements respectively as deemed cost under MFRSs. There was no revaluation of property, plant and equipment for the current quarter and financial period ended 31 March 2014.

**A11. Subsequent material events**

There were no material events subsequent to the end of the current quarter under review.

**A12. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial period ended 31 March 2014.

**A13. Changes in contingent assets or contingent liabilities**

There were no material changes to the contingent assets or contingent liabilities disclosed since the last annual financial report for the year ended 31 December 2013 up to the date of issue of this quarterly report.



**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of performance**

**Group Performance**

| Description              | Current Quarter<br>YTD Ended<br>31.03.2014<br>RM'000 | Corresponding<br>Quarter YTD<br>Ended<br>31.03.2013<br>RM'000 | Increase/(Decrease) |          |
|--------------------------|--|---|---------------------|----------|
|                          |  |   | RM'000              | %        |
| Revenue                  | 9,968  | 11,676  | (1,708)             | (14.63%) |
| (Loss)/Profit before tax | (947)  | (1,026)   | 79                  | 7.70%    |

The Group recorded a revenue of RM9.97 million for the current period as compared to RM11.68 million in the previous corresponding period, representing a decrease of RM1.7 million or 14.6%. The lower sales in the current quarter were due to the slow down in market for commercial sector.

**B2. Comparison with preceding quarter's result**

**Group Performance**

| Description              | Current Quarter<br>RM'000 | Immediate<br>Preceding<br>Quarter<br>RM'000 | Increase/(Decrease) |           |
|--------------------------|---------------------------|---|---------------------|-----------|
|                          |                           |   | RM'000              | %         |
| Revenue                  | 9,968                     | 15,517                                      | (5,549)             | (35.76%)  |
| (Loss)/Profit before tax | (947)                     | 351   | (1,298)             | (369.80%) |

The Group's revenue has decreased by 35.76% to RM9.97 million for the current quarter from RM15.52 million generated in the immediate preceding quarter. The Group registered a loss before tax of RM0.95 million in current quarter, representing a decrease of RM1.298 million from profit before tax of RM0.35 million in the immediate preceding quarter.

**B3. Current Year Prospects**

Generally the market would likely experiencing a cautious attitude due to the anticipated economic slowdown. Any market glitches would affect the demand particularly with the commercial sector. However, with the export market it is hoped that it may offset the downtrend.

For the automotive sector, its prospect is expected to be able to sustain its market share. With the new productions commencing in Q3 2014, the revenue is expected to offset the early slowdown.

**PARAGON UNION BERHAD**  
**(Company No. 286457-V)**  
**Quarterly Announcement For The Quarter Ended 31 March 2014**

---

**B4. Explanatory notes on variances with profit forecasts or profit guarantee**

Not applicable as the Group does not make any profit forecast for current financial year in any public document.

**B5. Taxation**

There was no provision for taxation for the current quarter under review

**B6. Corporate proposals**

There was no corporate proposal announced in the current quarter ended 31 March 2014.

**B7. Loss before taxation**

Loss before taxation is derived after charging:

|  | Current Year<br>Quarter<br>31 March 2014 | Current Year To<br>Date<br>31 March 2014 |
|--|--|--|
|  | RM'000                                   | RM'000                                   |
| Interest expense                                 | 305                                      | 305                                      |
| Depreciation of property,<br>plant and equipment | 685                                      | 685                                      |
| Impairment of trade<br>receivables               | 120                                      | 120                                      |

**B8. Details of treasury shares**

The Company did not buy-back, cancel or resell any of its own shares during the quarter under review and financial year to date. As at end of the reporting quarter, the number of shares held as treasury shares are 5,301,700.

**PARAGON UNION BERHAD**  
**(Company No. 286457-V)**  
**Quarterly Announcement For The Quarter Ended 31 March 2014**

---

**B9. Group borrowings**

The total group borrowings as at 31 March 2014 were as follows:

|                              | Current<br>Quarter YTD<br>Ended<br>31 March<br>2014<br>RM'000 | Corresponding<br>Quarter YTD<br>Ended<br>31 March<br>2013<br>RM'000 |
|------------------------------|---|---|
| Short Term Bank Borrowings   |   |   |
| Secured : Bills payable      | 3,434   | 2,300   |
| Bank Overdrafts              | 4,880   | 5,056   |
| Current portion of term loan | 707   | 669   |
| Sub-Total                    | 9,021   | 8,025   |
| Unsecured: Bills payable     | 1,689   | 1,377   |
| Bank Overdrafts              | 7,656   | 6,243   |
| Sub-Total                    | 9,345   | 7,620   |
| Total                        | 18,366  | 15,645  |
| Long Term Bank Borrowings    |   |   |
| Secured : Term Loan          | 1,937   | 2,644   |

**B10. Changes in material litigation**

Paragon Union Berhad v Prestamewah Development Sdn. Bhd. and Liw Jun Wai

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 has fixed this suit for continued trial commencing on 27<sup>th</sup> March 2013 and expected to be completed by 10 June 2013.

The Court has concluded trial of the matter and has now fixed 5<sup>th</sup> September 2013 for oral submissions.

**PARAGON UNION BERHAD**  
**(Company No. 286457-V)**  
**Quarterly Announcement For The Quarter Ended 31 March 2014**

---

The Court has concluded trial of the matter and has now fixed 3<sup>rd</sup> December 2013 for further submissions and a decision date would be fixed thereafter.

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

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

**B11. Dividends payable**

The Board does not recommend any dividend in the current quarter and financial year to date (previous year corresponding quarter financial year ended 31 March 2013: Nil).

**B12. Earning per share**

(i) Basic Loss Per Share

The basic loss per share ("EPS") is derived by dividing the loss after taxation and loss attributable to equity holders of the Parent by weighted average number of 64,698,300 (previous year corresponding quarter ended 31 December 2013 : 64,698,300) ordinary shares of the Company in issue during the financial period under review, excluding treasury shares of 5,301,700 units held by the Company:-

|  | Individual Quarter   |                        | Cumulative Quarters  |                        |
|--|----------------------|------------------------|----------------------|------------------------|
|  | Current Year Quarter | Preceding Year Quarter | Current Year To-Date | Preceding Year To-Date |
|  | 31.03.2014           | 31.03.2013             | 31.03.2014           | 31.03.2013             |
| <b>i) Earnings</b>   |                      |                        |                      |                        |
| Loss attributable to equity holders of the parent (RM'000) | (947)                | (1,026)                | (947)                | (1,026)                |
| <b>ii) Weighted average number of ordinary shares</b>      |                      |                        |                      |                        |
| Weighted average number of shares in issue ('000)          | 64,699               | 64,699                 | 64,699               | 64,699                 |
| Basic Loss per share (sen)                                 | (1.46)               | (1.59)                 | (1.46)               | (1.59)                 |

**PARAGON UNION BERHAD**  
**(Company No. 286457-V)**  
**Quarterly Announcement For The Quarter Ended 31 March 2014**

(ii) Fully Diluted Loss Per Share

The fully diluted loss per share ("EPS") is derived by dividing the loss after taxation and loss attributable to equity holders of the Parent by weighted average number of 64,698,300 (previous year corresponding quarter ended 31 December 2013 : 64,698,300) ordinary shares of the Company in issue during the financial period under review, excluding treasury shares of 5,301,700 units held by the Company:-

|  | Individual Quarter   |                        | Cumulative Quarters  |                        |
|--|----------------------|------------------------|----------------------|------------------------|
|  | Current Year Quarter | Preceding Year Quarter | Current Year To-Date | Preceding Year To-Date |
|  | 31.03.2014           | 31.03.2013             | 31.03.2014           | 31.03.2013             |
| <b>i) Earnings</b>   |                      |                        |                      |                        |
| Loss attributable to equity holders of the parent (RM'000) | (947)                | (1,026)                | (947)                | (1,026)                |
| <b>ii) Weighted average number of ordinary shares</b>      |                      |                        |                      |                        |
| Weighted average number of shares in issue ('000)          | 64,699               | 64,699                 | 64,699               | 64,699                 |
| Fully Diluted Loss per share (sen)                         | (1.46)               | (1.59)                 | (1.46)               | (1.59)                 |

**B13. Disclosure of realised and unrealised profits**

|   | As at 31 March 2014 | As at 31 Dec 2013 |
|---|---------------------|-------------------|
|   | RM'000              | RM'000            |
| Total retained profits/(losses) of the Company and its subsidiaries |                     |                   |
| - Realised  | 14,770              | 15,597            |
| - Unrealised  | (19,334)            | (19,214)          |
| Total Group accumulated losses as per consolidation accounts        | (4,564)             | (3,617)           |

**B14. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2014.