

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold all your shares in PARAMOUNT CORPORATION BERHAD, please hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale was contracted for transmission to the purchaser.



PARAMOUNT CORPORATION BERHAD

(Company No. 8578-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

**PROPOSED EMPLOYEE SHARE OPTION SCHEME FOR
ELIGIBLE EMPLOYEES OF
PARAMOUNT CORPORATION BERHAD
AND ITS SUBSIDIARIES**

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

Advised by



COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No. 18417-M)

The approval of the Securities Commission ("SC") for the Proposed Employee Share Option Scheme ("Proposed ESOS") shall not be taken to indicate that the SC recommends the Proposed ESOS.

Notice of the Extraordinary General Meeting of Paramount Corporation Berhad to be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur, on Tuesday, 9 June 1998 at 10.30 a.m. or immediately upon the conclusion or adjournment of the twenty-eighth Annual General Meeting is set out on page 20 of this Circular.

A Form of Proxy is enclosed which you are urged to complete and deposit at the registered office of the Company at Level 33, Menara DION, 27 Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time fixed for holding the meeting as set out above. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently find that you are able to do so.

This Circular is dated 22 May 1998

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"BNM"	:	Bank Negara Malaysia
"Board"	:	The Board of Directors of PCB
"Bye-Laws"	:	The proposed Bye-Laws of the Scheme
"CIMB"	:	Commerce International Merchant Bankers Berhad
"EGM"	:	Extraordinary General Meeting
"Eligible Employee"	:	An employee or Executive Director of the Group who meets the criteria of eligibility for participation in the Scheme as set out in Clause 4 of the Bye-Laws
"Executive Director"	:	The Directors of the PCB Group who are on the payroll of the Group and who are involved in the day-to-day management of the Group
"Grantee"	:	An Eligible Employee who has accepted an Offer in the manner indicated in Clause 8 of the Bye-Laws
"KLSE"	:	Kuala Lumpur Stock Exchange
"Market Day"	:	Any day between Mondays and Fridays which is not a market holiday or public holiday
"NTA"	:	Net tangible assets
"Offer"	:	An offer made in writing by the Option Committee to an Eligible Employee in the manner indicated in Clause 5 of the Bye-Laws
"Offer Date"	:	The date on which an Offer (including subsequent Offers) is made to an Eligible Employee to participate in the Scheme by the Option Committee
"Option"	:	The right of a Grantee to subscribe for new PCB Shares pursuant to the contract constituted by acceptance by an Eligible Employee, in the manner indicated in Clause 8 of the Bye-Laws, of an Offer made to such Eligible Employee pursuant to Clause 5 of the Bye-Laws
"Option Committee"	:	The committee appointed by the Board to administer the Scheme
"Option Period"	:	A period commencing from the Offer Date and expiring on a date which the Option committee may in its discretion decide provided that no Option Period shall extend beyond the five (5) year period referred to in Clause 18 of the Bye-Laws
"PCB" or "Company"	:	Paramount Corporation Berhad
"PCB Group" or "Group"	:	PCB and its subsidiaries
"PCB Shares"	:	Ordinary shares of RM1.00 each in the Company

DEFINITIONS (Cont'd)

"Proposed ESOS" or "Scheme"	:	The scheme for the grant of Options to Eligible Employees to subscribe for up to ten per cent (10%) of the issued and paid-up share capital of the Company on the terms and conditions set out in the Bye-Laws
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"ROC"	:	Registrar of Companies
"SC"	:	Securities Commission
"Subscription Price"	:	The price at which a Grantee shall be entitled to subscribe for each new PCB Share as set out in Clause 7 of the Bye-Laws

CONTENTS

LETTER TO THE SHAREHOLDERS OF PCB CONTAINING:-

	Page
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED ESOS	2
3. RATIONALE FOR THE PROPOSED ESOS	4
4. FINANCIAL EFFECTS OF THE PROPOSED ESOS	4
5. APPROVALS REQUIRED	5
6. DIRECTORS' INTERESTS	5
7. EXTRAORDINARY GENERAL MEETING	6
8. DIRECTORS' RECOMMENDATION	6
9. FURTHER INFORMATION	6

APPENDICES

1. THE BYE-LAWS OF THE PROPOSED ESOS	7
2. FURTHER INFORMATION	18

NOTICE OF EXTRAORDINARY GENERAL MEETING	20
---	----

FORM OF PROXY	Enclosed
---------------	----------



PARAMOUNT CORPORATION BERHAD

(Company No. 8578-A)
(Incorporated in Malaysia)

Registered Office:-

Level 33, Menara DION
27 Jalan Sultan Ismail
50250 Kuala Lumpur

22 May 1998

Directors:-

Tun Dato' Haji Omar Yoke Lin Ong, *SSM, PMN, SPMS, SPDK*
Hon. Ph.D (Malaya), Hon. L.L.D (Hanyang, Seoul) (Chairman)
Teo Chiang Quan (*Group Chief Executive Officer*)
Ong Keng Siew (*Deputy Group Chief Executive Officer*)
Tan Sri Dato' Ahmad Sabki bin Jahidin, *PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK*
Dato' Haji Azlan bin Hashim, *DSNS, DSSA*
Dato' Alexander Yu Lung Lee, *DPMP*
Teo Soo Chew
Teo Chiang Khai
Md. Taib bin Abdul Hamid
Rohana binti Mahmood
Geh Cheng Hooi

To: The shareholders of Paramount Corporation Berhad

Dear Sir/Madam

PROPOSED EMPLOYEE SHARE OPTION SCHEME FOR ELIGIBLE EMPLOYEES OF PCB AND ITS SUBSIDIARIES

1. INTRODUCTION

On 11 September 1997, CIMB announced on behalf of the Board of PCB the proposed establishment of an employee share option scheme for Eligible Employees of the PCB Group. On 17 November 1997, CIMB on behalf of the Board of PCB also announced that the SC has given its approval for the Proposed ESOS. The Proposed ESOS was also approved by BNM on 3 November 1997.

The purpose of this Circular is to provide you with the details, rationale and financial effects of the Proposed ESOS and to seek your approval for the resolutions to be tabled at the forthcoming EGM to be convened at Cempaka Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 9 June 1998 at 10.30 a.m. or immediately upon the conclusion or adjournment of the twenty-eighth Annual General Meeting. A notice of the EGM is set out on page 20 of this Circular.

2. DETAILS OF THE PROPOSED ESOS

The salient features of the Scheme, details of which are contained in the Bye-Laws as set out in Appendix I, are as follows:-

- (i) The total number of new PCB Shares which may be subscribed for on the exercise of Options under the Scheme shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the Scheme.

Based on the issued and paid-up share capital of PCB of 97,889,949 ordinary shares of RM1.00 each as at 5 May 1998, a maximum of 9,788,000 new PCB Shares (rounded down to the nearest 1,000 PCB Shares) are presently permitted to be made available under the Scheme.

- (ii) The categories of employees entitled to participate in the Scheme and the maximum number of new PCB Shares that may be offered under the Option and allotted to an Eligible Employee under each category during the existence of the Scheme are as follows:-

		Maximum number of new PCB Shares that may be offered under the Option and allotted to each of such Eligible Employees	
Category	Grade		
1	Group Chief Executive Officer	1S	500,000
2	Deputy Group Chief Executive Officer	1A	350,000
3	Divisional Chief Executive Officer, Divisional Managing Director (I)	1B	245,000
4	Divisional Managing Director (II), Senior General Manager	1C	172,000
5	General Manager	1D	121,000
6	Deputy General Manager, Assistant General Manager (I)	2A	85,000
7	Assistant General Manager (II), Senior Manager	2B	60,000
8	Manager (I)	3A & 3B	42,000
9	Manager (II), Executive (I)	4	30,000
10	Executive (II), Senior Supervisor	5	21,000
11	Executive (III), Supervisor (I)	6	15,000
12	Admin & General (I)	7	11,000
13	Admin & General (II)	8	8,000
14	Admin & General (III)	9	6,000

At the discretion of the Option Committee, an Eligible Employee who is promoted to another category may be entitled to additional allocations through the exercise of new Options (being the difference between the maximum number of new PCB Shares that may be allotted to each such Eligible Employee under the previous category and the maximum number of new PCB Shares that may be allotted under that new category) upon confirmation in the promoted category.

(iii) Subject to the discretion of the Option Committee, any employee (including Executive Directors) of the Group shall be eligible to participate in the Scheme if, as at the Offer Date, the employee:-

- (a) has attained the age of eighteen (18) years;
- (b) is employed by and on the payroll of a company within the PCB Group (other than a company which is dormant);
- (c) has been in the permanent full-time employment of the Group for a period of at least one (1) year of continuous service, including service during the probation period, and is confirmed in service; provided that a confirmed employee of a subsidiary of PCB must have completed at least one (1) year of continuous service following the date such a company is deemed a subsidiary of the Group;
- (d) is not an Executive Director who represents the Government or a Government institution/agency;
- (e) is not a Government employee serving in the public service scheme as defined under Article 132 of the Federal Constitution; and
- (f) is not a participant of any other employee share option scheme implemented by any other company within the PCB Group which is in force for the time being.

In addition to the above criteria of eligibility, any foreign employee (including Executive Directors) of the Group who is serving on a full-time capacity for at least one (1) year on or prior to the Offer Date, and whose contribution is vital to the success of the Group may be considered for participation in the Scheme, provided that no foreign employee (including Executive Directors) who is serving under an employment contract may be considered for participation in the Scheme unless the employment contract is for a duration of at least three (3) years or such other longer period (if any) as may be required by the relevant regulatory authorities.

- (iv) The Offer and the Option to be granted pursuant to the due acceptance of the Offer is personal to the Grantee and is non-assignable.
- (v) The Subscription Price shall be determined by the average of the mean market quotation of PCB Shares as shown in the Daily Official List of the KLSE (calculated as the average of the highest and lowest transacted prices on the KLSE for the day) for the five (5) market days immediately preceding the Offer Date or the par value of PCB shares, whichever is higher.
- (vi) Subject to Sub-Clauses 9.2 and 9.5 of the Bye-Laws, an Option can be exercised into new PCB Shares by the Grantee by notice in writing to the Company during the Option Period in respect of all or part of the new PCB Shares comprised in the Option, such part being in multiples of one thousand (1,000) PCB Shares and not less than one thousand (1,000) PCB Shares.

The partial exercise of an Option shall not preclude the Grantee from exercising the Option in respect of the balance of the new PCB Shares comprised in the Option.

- (vii) The new PCB Shares to be allotted upon any exercise of the Option shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company PROVIDED THAT the new PCB Shares shall not be entitled to any dividends declared in respect of the particular financial year if the Options relating thereto are not exercised prior to or on the entitlement date and on a date during that financial year for which the dividends are declared in respect of and to any other distributions unless the Options were exercised prior to or on the entitlement date (entitlement date means the date as to the close of business on which shareholders must be registered in order to participate in any distributions).

- (viii) The listing of and quotation for the new ordinary shares arising from the exercise of the Option will be subject to the approval of the KLSE and any other relevant regulatory authorities.
- (ix) Subject to the approvals of the SC, BNM, the ROC, the KLSE and any other relevant authorities (if required), the Board or the Option Committee shall have the power at any time and from time to time, by resolution, to amend all or any of the provisions of the Scheme provided that no such amendment shall be made which would either prejudice the rights then accrued to any Grantee without the consent or sanction of that Grantee as if the provisions of the variation of class rights contained in the Articles of Association of the Company for the time being were applicable mutatis mutandis to the Grantee or, alter to the advantage of any Grantee the provisions of the Scheme without the prior approval of the Company's shareholders in a general meeting.
- (x) The Scheme shall continue to be in force for a period of five (5) years from the date of its approval by the shareholders of the Company in a general meeting or the date of approval of the SC, BNM, the ROC or the KLSE or any other relevant authority whose approval is necessary, whichever shall be the latest date.
- (xi) The Scheme shall be administered by the Option Committee in its discretion with such powers and duties as are conferred upon it.

3. RATIONALE FOR THE PROPOSED ESOS

The rationale of the Proposed ESOS is as follows:-

- (i) to retain and motivate key personnel of the PCB Group towards better performance with a view to achieving the Group's set targets;
- (ii) to attract prospective employees to fill key positions within the Group as and when necessary;
- (iii) to instil commitment, dedication and loyalty to the Group; and
- (iv) to encourage equity participation in the Group's future growth and profits.

4. FINANCIAL EFFECTS OF THE PROPOSED ESOS

(i) Share Capital

The Proposed ESOS will not have an immediate effect on the existing issued and paid-up share capital of PCB. However, the issued and paid-up share capital of PCB will increase progressively depending on the number of new PCB Shares issued pursuant to the exercise of Options.

Assuming full allocation and the exercise of the Options pursuant to the Scheme, the effect of the Proposed ESOS based on the issued and paid-up share capital of the Company as at 5 May 1998 will be as follows:-

	RM
Issued and paid-up share capital as at 5 May 1998	97,889,949
Upon full exercise of Options pursuant to the Proposed ESOS	9,788,000
Enlarged share capital after the Proposed ESOS	<u>107,677,949</u>

(ii) **NTA**

The Proposed ESOS will not have an immediate effect on the NTA of the PCB Group. However, the NTA of the Group will increase progressively depending on the number of new PCB Shares to be issued upon the exercise of the Options and the Subscription Price which is to be determined at the time an Offer is granted.

(iii) **Earnings**

The Proposed ESOS is not expected to have any significant effect on the earnings of the PCB Group for the financial year ending 31 December 1998.

5. APPROVALS REQUIRED

The Proposed ESOS is conditional upon approvals being obtained from the following:-

- (i) the SC, the approval of which was obtained on 13 November 1997 and extended by a letter dated 17 February 1998;
- (ii) BNM, the approval of which was obtained on 3 November 1997;
- (iii) the ROC for the Bye-Laws governing the Proposed ESOS;
- (iv) the KLSE for the Bye-Laws, the approval of which was obtained on 11 December 1997 and the listing of and quotation for up to ten per cent (10%) of the issued and paid-up share capital of PCB at any one time during the existence of the Scheme;
- (v) the shareholders of PCB at an EGM to be convened; and
- (vi) any other relevant authorities.

6. DIRECTORS' INTERESTS

Teo Chiang Quan and Ong Keng Siew being Executive Directors of the Company, are entitled to participate in the Proposed ESOS and are therefore deemed interested in respect of their respective entitlements under the Proposed ESOS. The aforesaid Directors have abstained and will continue to abstain from all deliberations and voting on their respective entitlements under the Proposed ESOS at the relevant meetings of the Board. They will also abstain from voting in respect of their direct and indirect shareholdings in PCB on the ordinary resolutions pertaining to their respective entitlements under the Proposed ESOS at the forthcoming EGM.

The direct and indirect shareholdings of the aforesaid Directors as at 5 May 1998 are as follows:-

Name	No. of shares held		%
	Direct	Indirect	
Teo Chiang Quan	8,000	31,654,888*	32.35
Ong Keng Siew	13,000	-	0.01

Note:-

* By virtue of his interests in Paramount Equities Sdn. Bhd., Teo Soo Pin Sdn. Bhd. and Qualipro Corporation Sdn. Bhd. under Section 6A of the Companies Act, 1965.

Save as disclosed above, none of the other Directors of the Company has any interest, direct or indirect, in the Proposed ESOS.

The maximum number of new PCB Shares that may be offered under the Option and allotted to each of the Executive Directors of the Company under the Proposed ESOS are as follows:-

Director	Maximum number of new PCB Shares that may be offered under the Option and allotted under the Proposed ESOS
Teo Chiang Quan	500,000
Ong Keng Siew	350,000

7. EXTRAORDINARY GENERAL MEETING

An EGM, the notice of which is enclosed in this Circular, will be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 9 June 1998 at 10.30 a.m. or immediately upon the conclusion or adjournment of the twenty-eighth Annual General Meeting for the purpose of considering and, if thought fit, passing the ordinary resolutions as set out in the Notice of EGM herein.

If you are unable to attend the EGM in person, please complete the enclosed Form of Proxy and forward it to the Company's Registered Office at Level 33, Menara DION, 27 Jalan Sultan Ismail, 50250 Kuala Lumpur, so as to arrive not later than forty-eight (48) hours before the time set for the holding of the EGM or any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM if you should so decide later.

8. DIRECTORS' RECOMMENDATION

Your Directors (other than those interested in the Proposed ESOS as disclosed in Section 6 of this Circular) are of the opinion that the Proposed ESOS is in the long term interest of PCB and recommend that shareholders vote in favour of the ordinary resolutions to be tabled at the forthcoming EGM.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully
for and on behalf of the Board of
PARAMOUNT CORPORATION BERHAD

Tun Dato' Haji Omar Yoke Lin Ong
Chairman

THE BYE-LAWS OF THE PROPOSED ESOS**1. DEFINITIONS**

Except where the context otherwise requires, the following expressions in these Bye-Laws shall have the following meanings:-

"BNM"	:	Bank Negara Malaysia
"Board"	:	The Board of Directors of PCB
"Bye-Laws"	:	The proposed Bye-Laws of the Scheme
"CDS"	:	Central Depository System
"Eligible Employee"	:	An employee or Executive Director of the Group who meets the criteria of eligibility for participation in the Scheme as set out in Clause 4 hereof
"Executive Directors"	:	The Directors of the PCB Group who are on the payroll of the Group and who are involved in the day-to-day management of the Group
"Grantee"	:	An Eligible Employee who has accepted an Offer in the manner indicated in Clause 8 hereof
"KLSE"	:	Kuala Lumpur Stock Exchange
"Market Day"	:	Any day between Mondays and Fridays which is not a market holiday or public holiday
"Offer"	:	An offer made in writing by the Option Committee to an Eligible Employee in the manner indicated in Clause 5 hereof
"Offer Date"	:	The date on which an Offer is made to an Eligible Employee to participate in the Scheme by the Option Committee
"Option"	:	The right of a Grantee to subscribe for new PCB Shares pursuant to the contract constituted by acceptance by an Eligible Employee, in the manner indicated in Clause 8 hereof, of an Offer made to such Eligible Employee pursuant to Clause 5 hereof
"Option Committee"	:	The committee appointed by the Board to administer the Scheme
"Option Period"	:	A period commencing from the Offer Date and expiring on a date which the Option Committee may in its discretion decide provided that no Option Period shall extend beyond the five (5) year period referred to in Clause 18 hereof
"PCB" or "Company"	:	Paramount Corporation Berhad

"PCB Group" or "Group"	:	PCB and its subsidiaries
"PCB Shares"	:	Ordinary shares of RM1.00 each in the Company
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"ROC"	:	Registrar of Companies
"SC"	:	Securities Commission
"Scheme"	:	The scheme for the grant of Options to Eligible Employees to subscribe for new PCB Shares on the terms as set out herein
"Subscription Price"	:	The price at which a Grantee shall be entitled to subscribe for new PCB Shares as set out in Clause 7 hereof

Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter.

2. NAME OF SCHEME

This Scheme will be named Paramount Corporation Berhad Employee Share Option Scheme.

3. TOTAL NUMBER OF SHARES

3.1 The total number of new PCB Shares which may be subscribed for on the exercise of Options under the Scheme shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the Scheme as referred to in Clause 18 hereof. PCB will, for the duration of the Scheme, keep available sufficient unissued PCB Shares to satisfy all outstanding Options provided.

3.2 A new employee share option scheme shall only be implemented from the expiry date of the Scheme, if the Scheme is not renewed and subject to the approval of the relevant regulatory authorities. Any employee (including Executive Directors) of the Group who participated in the Scheme shall only be eligible to participate in a new scheme subject to that employee having completed five (5) years of continuous service within the Group.

4. ELIGIBILITY

4.1 Subject to the discretion of the Option Committee, any employee (including Executive Directors) of the Group shall be eligible to participate in the Scheme if, as at the Offer Date, the employee:-

- (i) has attained the age of eighteen (18) years;
- (ii) is employed by and on the payroll of a company within the PCB Group (other than a company which is dormant);

- (iii) has been in the permanent full-time employment of the Group for a period of at least one (1) year of continuous service, including service during the probation period, and is confirmed in service; provided that a confirmed employee of a subsidiary of PCB must have completed at least one (1) year of continuous service following the date such a company is deemed a subsidiary of the Group;
- (iv) is not an Executive Director who represents the Government or a Government institution/agency;
- (v) is not a Government employee serving in the public service scheme as defined under Article 132 of the Federal Constitution; and
- (vi) is not a participant of any other employee share option scheme implemented by any other company within the PCB Group which is in force for the time being.

4.2 The specific entitlement of Executive Directors shall be approved by the shareholders of the Company in a general meeting.

4.3 In addition to the above criteria of eligibility as set out in this Clause, any foreign employee (including Executive Directors) of the Group who is serving on a full-time capacity for at least one (1) year on or prior to the Offer Date, and whose contribution is vital to the success of the Group may be considered for participation in the Scheme, provided that no foreign employee (including Executive Directors) who is serving under an employment contract may be considered for participation in the Scheme unless the employment contract is for a duration of at least three (3) years or such other longer period (if any) as may be required by the relevant regulatory authorities.

5. OFFER

5.1 The Option Committee shall, within the duration of the Scheme as defined in Clause 18 hereof, make Offers to any Eligible Employees whom the Option Committee may in its discretion select to subscribe for new PCB Shares.

5.2 The actual number of new PCB Shares which may be offered to an Eligible Employee shall be at the discretion of the Option Committee and, subject to any adjustments that may be made under Clause 14 hereof, shall not upon the exercise of the Options be less than one thousand (1,000) new PCB Shares but not more than five hundred thousand (500,000) new PCB Shares and shall always be in multiples of one thousand (1,000) PCB Shares.

5.3 Nothing herein shall prevent the Option Committee from making more than one Offer to any Eligible Employee provided always that, subject to any adjustments that may be made under Clause 14 hereof, the total aggregate number of Options to be so offered to any Eligible Employee (inclusive of Options previously offered under the Scheme, if any) shall not exceed the maximum entitlement of the Eligible Employee as set out in Clause 6 hereof, and the total number of Options offered and to be offered at any time shall not upon exercise of the Options into new PCB Shares exceed ten per cent (10%) of the issued and paid-up share capital of the Company at that time.

5.4 The Offer shall automatically lapse and be null and void in the event of the Eligible Employee ceasing to be employed by the PCB Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Employee in the manner set out in Clause 8 hereof.

5.5 Each Offer shall be made in writing and is personal to the Eligible Employee and is non-assignable.

6. MAXIMUM ENTITLEMENT AND BASIS OF ALLOCATION

Subject to any adjustments which may be made under Clause 14 hereof, the maximum number of new PCB Shares that may be offered under the Option and allotted to an Eligible Employee shall be determined at the discretion of the Option Committee and shall not exceed the limits set opposite their respective categories as set out below:-

	Category	Grade	Maximum number of new PCB Shares that may be offered under the Option and allotted to each of such Eligible Employees
1	Group Chief Executive Officer	1S	500,000
2	Deputy Group Chief Executive Officer	1A	350,000
3	Divisional Chief Executive Officer, Divisional Managing Director (I)	1B	245,000
4	Divisional Managing Director (II), Senior General Manager	1C	172,000
5	General Manager	1D	121,000
6	Deputy General Manager, Assistant General Manager (I)	2A	85,000
7	Assistant General Manager (II), Senior Manager	2B	60,000
8	Manager (I)	3A & 3B	42,000
9	Manager (II), Executive (I)	4	30,000
10	Executive (II), Senior Supervisor	5	21,000
11	Executive (III), Supervisor (I)	6	15,000
12	Admin & General (I)	7	11,000
13	Admin & General (II)	8	8,000
14	Admin & General (III)	9	6,000

At the discretion of the Option Committee, an Eligible Employee who is promoted to another category may be entitled to additional allocations (being the difference between the maximum number of new PCB Shares that may be allotted to such an Eligible Employee under the previous category and the maximum number of new PCB Shares that may be allotted under that new category) upon confirmation in the promoted category.

7. SUBSCRIPTION PRICE

The price at which the Grantee is entitled to subscribe for each new PCB Share shall be the average of the mean market quotation of PCB Shares as shown in the Daily Official List of the KLSE (calculated as the average of the highest and lowest transacted prices on the KLSE for the day) for the five (5) Market Days immediately preceding the Offer Date or the par value of PCB shares, whichever is higher.

8. ACCEPTANCE OF THE OFFER

- 8.1 The Offer to participate in the Scheme shall be valid for a period of thirty (30) days from the Offer Date or such longer period as may be determined by the Option Committee on a case to case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Employee to the Option Committee in the form prescribed by the Option Committee. In the event that the Eligible Employee fails to accept the Offer within the prescribed period, the Offer shall be deemed to have lapsed.
- 8.2 Acceptance of the Offer by an Eligible Employee shall be accompanied by the payment of Ringgit Malaysia Ten (RM10.00) as non-refundable consideration for the Option.
- 8.3 Within thirty (30) days after the due acceptance of the Offer in accordance with the provisions of this Clause, the Option Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the Option Committee.

9. EXERCISE OF OPTIONS

- 9.1 Subject to Sub-Clauses 9.2 and 9.5 hereof, an Option can be exercised into new PCB shares by the Grantee by notice in writing to the Company during the Option Period in respect of all or any part of the new PCB Shares comprised in the Option, such part being in multiples of one thousand (1,000) PCB Shares and not less than one thousand (1,000) PCB Shares.

The partial exercise of an Option shall not preclude the Grantee from exercising the Option in respect of the balance of the new PCB Shares comprised in the Option.

- 9.2 The number of new PCB Shares comprised in the Option which a Grantee can subscribe for in a particular year of the Scheme (the first year of the Scheme commencing on the date the Scheme comes into force) shall at all times be subject to the following maximum percentages:-

Number of PCB Shares comprised in Option granted	Maximum percentage of PCB Shares exercisable under the Option within each particular year of the Scheme				
	Year 1	Year 2	Year 3	Year 4	Year 5
20,000 and below	40% ¹	30%	30% ²	-	-
Above 20,000	20%	20%	20%	20%	20% ³

Notes:-

¹ 40% or 8,000 shares, whichever is the higher

² 30% or the remaining number of shares

³ 20% or the remaining number of shares

Where the maximum percentage of new PCB Shares exercisable under the Option within a particular year of the Scheme is not fully exercised by a Grantee, the percentage unexercised shall be carried forward to the next year and shall not be subject to the maximum percentage for that next year provided that no Options shall be carried forward beyond the Option Period. Any employee who becomes a Grantee after Year 1 of the Scheme shall not be entitled to have carried forward the maximum percentage of Options exercisable during all the years prior to him becoming a Grantee.

In the event that the period between the Offer Date and the expiry of the Option Period is less than four (4) years, any remaining unexercised Options shall be exercisable on the last year of the Scheme.

Any new PCB Shares comprised in an Option not subscribed for in any year of the Scheme may be subscribed for in any subsequent years until and including the last year of the Scheme.

9.3 A Grantee who is a foreign Eligible Employee shall be entitled to exercise such percentage of the Option allocated to him as may be determined by the Option Committee in their discretion PROVIDED ALWAYS THAT the maximum percentage of PCB Shares exercisable under the Option exercisable in a particular year of the Scheme shall not exceed twenty per cent (20%) of the PCB Shares exercisable under the Option granted to such Grantee. Any remaining unexercised Option may be exercise on expiry of the employment contract of such Grantee if the remaining duration of the employment contract is less than five (5) years from the Offer Date granted to such Grantee.

Subject to the limits in this Sub-Clause, any new PCB Shares comprised in an Option not subscribed for in any year of the Scheme may be subscribed for in any subsequent years until and including the last year of the Scheme PROVIDED ALWAYS THAT, subject to the discretion of the Option Committee, where a foreign Grantee is serving under an employment contract, any remaining unexercised Options will lapse after the expiry date of that employment contract.

9.4 Every such notice referred to in Sub-Clause 9.1 hereof must be in the form prescribed by the Option Committee from time to time and accompanied by a remittance (calculated in accordance with the provisions of Clause 7 hereof) for the full amount of the subscription monies for the new PCB Shares in respect of which notice is given. Within ten (10) Market Days from the receipt by the Company of the aforesaid notice and remittance from the Grantee, the Company shall allot such new PCB Shares to the Grantee accordingly.

A Grantee who exercises his Option shall provide the Option Committee with his CDS account number in the notice referred to in this Sub-Clause. The new PCB Shares to be issued pursuant to the exercise of an Option will be credited directly into the CDS account of the Grantee and a notice of allotment stating the number of shares credited into the CDS account will be issued to the Grantee and no physical share certificate will be issued subject to the provisions of the Articles of Association of the Company.

9.5 The new PCB Shares to be allotted upon any exercise of the Option shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company PROVIDED THAT the new PCB Shares shall not be entitled to any dividends declared in respect of the particular financial year if the Options relating thereto are not exercised prior to or on the entitlement date and on a date during that financial year for which the dividends are declared in respect of and to any other distributions unless the Options were exercised prior to or on the entitlement date (entitlement date means the date as to the close of business on which Shareholders must be registered in order to participate in any distributions).

9.6 All Options to the extent unexercised shall not carry any rights to vote at general meeting of the Company and shall not be entitled to any dividend, rights, allotments or distributions of the Company.

9.7 All Options to the extent unexercised on the expiry of the Option Period shall lapse and be null and void.

9.8 The Company will undertake to keep available sufficient unissued PCB Shares to satisfy all outstanding Options.

- 9.9 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the Option Committee may, in its discretion, suspend the Option pending the outcome of such disciplinary proceedings. The Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT in the event that such Grantee shall subsequently be found to be not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the rights of such Grantee to exercise his Option.

10. TERMINATION OF THE OPTION

- 10.1 In the event of the cessation of employment of a Grantee with the PCB Group for whatever reason prior to the full exercise of an Option, such Option or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT subject to the written approval of the Option Committee in its discretion, if such cessation occurs by reason of:-

- (i) retirement on attaining the retirement age under the Group's retirement policy;
- (ii) retirement before attaining the normal retirement age but with the consent of the Option Committee;
- (iii) redundancy;
- (iv) ill-health, injury, physical; or
- (v) any other circumstances which are acceptable to the Option Committee;

such Option shall remain exercisable during the Option Period.

- 10.2 An Option shall lapse forthwith upon the resignation of the Grantee from his employment with the PCB Group and the new PCB Shares comprised in such Option or the balance thereof may, at the discretion of the Option Committee, be re-allotted to other Eligible Employees.
- 10.3 In the event of the liquidation of the Company, all unexercised or partially exercised Options shall lapse and be null and void.
- 10.4 In the event that any of the subsidiary companies shall cease to be a subsidiary company of PCB, all unexercised or partially exercised Options of Grantees who remain in the employment of the said subsidiary company shall automatically lapse and be null and void.
- 10.5 Where a Grantee dies before the expiry of the Option Period, any part of an Option held by the Grantee that is unexercised may be exercised by the legal representatives of the Grantee twelve (12) months after death or a longer period at the discretion of the Options Committee PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period.

11. TAKEOVER

Notwithstanding Clause 9 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:-

- (i) a takeover offer being made for the Company through a general offer to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("Offeror") or any persons acting in concert with the Offeror) a Grantee will be entitled within three (3) months of such a general offer being made, to exercise all or any part of his Options and the Directors shall use their best endeavours to procure that such a general offer be extended to any new PCB Shares that may be issued pursuant to the exercise of Options under this Clause; and
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of PCB Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his Option from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised;

PROVIDED ALWAYS THAT any part of an Option to the extent unexercised after the expiry of the periods stipulated in the aforesaid circumstances shall remain in force and be exercisable until the expiry of the Option Period applicable thereto.

12. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

Notwithstanding Clause 9 hereof and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Companies Act, 1965 or its amalgamation with any other company or companies under Section 178 of the Companies Act, 1965, a Grantee may be entitled to exercise all or any part of his Option at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective PROVIDED ALWAYS THAT any part of an Option which remains unexercised after the expiry of the period stipulated above shall remain in force until the expiry of the Option Period applicable thereto.

13. RETENTION PERIOD

A Grantee may deal with the new PCB Shares allotted and issued to him in any way he pleases. However, Grantees are encouraged to hold the new PCB Shares as investments rather than to realise immediate gain from their disposal.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves, rights issues, reduction, subdivisions or consolidation of capital or otherwise howsoever taking place:-

- (i) the Subscription Price;
- (ii) the number of shares comprised in the Option so far as unexercised; and/or
- (iii) the maximum number of shares and/or percentage of the total new PCB Shares comprised in the Option that may be exercised in a particular year;

shall be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Option Committee, confirm in writing to be, in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:-

- (a) no adjustment to the Subscription Price shall be made which would result in the new PCB Shares to be issued on the exercise of the Option being issued at a discount to par value, and if such an adjustment would but for this provision have so resulted, the Subscription Price payable shall be the par value of the new PCB Shares;
- (b) upon any adjustment being made pursuant to this Clause, the Option Committee shall notify the Grantee (or his legal personal representatives where applicable) in writing of the adjusted Subscription Price, the adjusted number of shares comprised in the Option; and
- (c) such adjustments would give the Grantee the same proportion of the issued ordinary share capital of the Company as that to which he was entitled prior to such alterations.

The provisions of this Clause shall not apply where the alteration in the capital structure of the Company arises from the issue of securities as consideration for an acquisition or as a special issue to Bumiputera parties approved by the relevant authorities.

15. QUOTATION OF SHARES

The Company shall make an application to the KLSE for its permission to deal in and for the listing and quotation of the new PCB Shares so allotted.

16. ADMINISTRATION

The Scheme shall be administered by the Option Committee consisting of such persons appointed by the Board from time to time. The Option Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the Option Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme, as the Option Committee may in its discretion deem fit. The Board shall have power from time to time to rescind the appointment of any person to the Option Committee as it deems fit.

17. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

Subject to the approvals of the SC, BNM, the ROC, the KLSE and any other relevant authorities (if required), the Board or the Option Committee shall have the power at any time and from time to time by resolution to amend all or any of the provisions of the Scheme provided that no such amendment shall be made which would either prejudice the rights then accrued to any Grantee without the consent or sanction of that Grantee as if the provisions of the variation of class rights contained in the Articles of Association of the Company for the time being were applicable mutatis mutandis to the Grantee or, alter to the advantage of any Grantee in respect of any provisions of the Scheme without the prior approval of the Company's shareholders in a general meeting. The Option Committee shall give written notice of any amendment to this Scheme to all Grantees.

18. DURATION OF THE SCHEME

The Scheme shall be in force for a period of five (5) years commencing from the date of the last of the approvals of the following:-

- (i) the SC;
- (ii) BNM;
- (iii) the ROC;
- (iv) the KLSE;
- (v) the shareholders of the Company in a general meeting; and
- (vi) any other relevant regulatory authority;

subject however to any extension to the Scheme as may be effected by the Company with the approvals of all the parties, if required, referred to above.

In the event that the Scheme is not extended, Eligible Employees who have been granted an Option under the current Scheme may be allowed to participate in a new employee share option scheme subject to them having completed at least five (5) years of continuous service in the Group.

19. DISPUTES

In the event of any dispute between the Option Committee and an Eligible Employee or Grantee, as to any matter or thing of any nature arising hereunder, the Option Committee shall determine such dispute or difference by a written decision given to the Eligible Employee or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Employee or Grantee, as the case may be, shall dispute the same by written notice to the Option Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute shall be referred to the decision of the external auditors of the Company for the time being, acting as arbitrators, whose decision shall be final and binding in all respects.

20. COMPENSATION

20.1 An Eligible Employee or Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

20.2 No Eligible Employee or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Option Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these Clauses, or as may be amended from time to time in accordance with Clause 17 hereof.

21. INSPECTION OF AUDITED ACCOUNTS

All Grantees are entitled to inspect the latest audited accounts of the Company during normal office hours on any working day at the Registered Office of the Company.

22. COST AND EXPENSES

The Company will bear all costs of and incidental to the setting-up and administration of the Scheme.

23. NOT A TERM OF EMPLOYMENT

This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee.

24. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall prevail at all times.

APPENDIX II

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. CONSENT

CIMB has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears.

3. MATERIAL LITIGATION

Neither PCB nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened, against PCB or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of PCB and/or its subsidiaries.

4. MATERIAL CONTRACTS

Save as disclosed below, neither PCB nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of the Company or its subsidiaries) during the two (2) years immediately preceding the date of this Circular:-

- (i) On 4 October 1996, PCB entered into a sale and purchase agreement with Yeo Hock Lim and Tan Hwee Beng for the acquisition of the entire issued and paid-up share capital of Berlian Sakti Sdn. Bhd. comprising 750,000 ordinary shares of RM1.00 each for a total cash consideration of RM20,000,000;
- (ii) On 13 December 1996, PCB entered into a conditional sale and purchase agreement with Sengin Sdn. Bhd. and Teo Soo Pin Sdn. Bhd. for the acquisition of 74.99% equity interest in K.U. Sistems Holdings Sdn. Bhd. comprising of 750,000 ordinary shares of RM1.00 each for a total cash consideration of RM9,900,000;
- (iii) On 2 January 1997, PCB entered into several conditional sale and purchase agreement with See Hoy Chan Sdn. Bhd., The Nanyang Insurance Co. Ltd., Paramount Malaysia (1963) Sdn. Bhd. and Four Seas Enterprise Corporation Sendirian Berhad ("FSEC") for the acquisition of 34.36% equity interest in Paramount Assurance Berhad comprising 2,804,000 ordinary shares of RM1.00 each for a total cash consideration of RM5,523,412.70;
- (iv) On 2 January 1997, Berkeley Sdn. Bhd., a wholly-owned subsidiary company of PCB entered into a conditional sale and purchase agreement with See Hoy Chan Agencies Sendirian Berhad for the disposal of 47.39% equity interest in FSEC comprising of 490,000 ordinary shares of RM1.00 each for a total cash consideration of RM1,065,207.92; and

- (v) On 17 April 1997, PCB entered into a conditional sale and purchase agreement with Mulpha Pacific Sdn. Bhd. ("MPSB") for the disposal of the entire issued and paid-up share capital of Wangsa Merdu Sdn. Bhd. ("WMSB") comprising of 2,000,000 ordinary shares of RM1.00 each to MPSB for a total cash consideration of RM38,222,808 and an undertaking by MPSB to repay all inter company loans extended by the Company to WMSB amounting to RM51,777,192. The sale and purchase agreement was subsequently terminated in November 1997 following the failure of MPSB to pay the balance of the purchase consideration and the deposit of RM9.0 million was forfeited by PCB in accordance with the terms of the sale and purchase agreement.

5. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the Registered Office of PCB at Level 33, Menara DION, 27 Jalan Sultan Ismail, 50250 Kuala Lumpur during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) Memorandum and Articles of Association of PCB;
- (ii) The audited accounts of the PCB Group for the five (5) financial years ended 31 December 1997;
- (iii) The letter of consent referred to in Section 2 of this Appendix;
- (iv) The material contracts referred to in Section 4 of this Appendix; and
- (v) The Bye-Laws of the Proposed ESOS.



PARAMOUNT CORPORATION BERHAD

(Company No. 8578-A)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Paramount Corporation Berhad ("PCB" or the "Company") will be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 9 June 1998 at 10.30 a.m. or immediately upon the conclusion or adjournment of the twenty-eighth Annual General Meeting, for the purpose of considering and, if thought fit, passing the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED EMPLOYEE SHARE OPTION SCHEME FOR ELIGIBLE EMPLOYEES OF PCB AND ITS SUBSIDIARIES ("GROUP")

"THAT, subject to the approval of the relevant authorities, the Directors of the Company be and are hereby authorised:-

- (a) to establish and administer an Employee Share Option Scheme for the benefit of eligible employees and Executive Directors of the Group ("Eligible Employees"), under which options will be granted to Eligible Employees to subscribe for new ordinary shares in the capital of the Company ("the Scheme"), upon the terms and conditions of the Scheme as set out in Appendix I of the Circular to Shareholders dated 22 May 1998 and to give full effect to the Scheme with full power to assent to any conditions, modifications and/or amendments as may be deemed fit or expedient and/or be imposed by the relevant authorities;
- (b) to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Scheme subject to the terms and conditions of the Scheme and such new ordinary shares will, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares shall not be entitled to any dividends declared in respect of the particular financial year if the options relating thereto are not exercised prior to or on the entitlement date and on a date during that financial year for which the dividends are declared in respect of and to any other distributions unless the options were exercised prior to or on the entitlement date. For the purpose hereof, entitlement date means the date as to the close of business on which shareholders must be registered in order to participate in any distributions.

The total number of such new ordinary shares in the Company which may be made available under the Scheme shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the Scheme; and

- (c) to modify and/or amend the Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the bye-laws of the Scheme relating to modifications and/or amendments and to do all such acts and to enter into all transactions, arrangements, agreements, deeds or undertakings and to make rules or regulations, or impose such terms and conditions or delegate part of its powers as may be necessary or expedient in order to give full effect to the Scheme as modified and/or amended from time to time."

ORDINARY RESOLUTION 2
PROPOSED ISSUE OF OPTIONS TO TEO CHIANG QUAN

"THAT, subject to the passing of Ordinary Resolution 1 above and the approvals of all relevant authorities, the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and to grant to Teo Chiang Quan, the Group Chief Executive Officer and Executive Director of the Company, options to subscribe for such number of ordinary shares up to a maximum of 500,000 new ordinary shares in the Company under the Scheme subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the bye-laws of the Scheme."

ORDINARY RESOLUTION 3
PROPOSED ISSUE OF OPTIONS TO ONG KENG SIEW

"THAT, subject to the passing of Ordinary Resolution 1 above and the approvals of all relevant authorities, the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and to grant to Ong Keng Siew, the Group Deputy Chief Executive Officer and Executive Director of the Company, options to subscribe for such number of ordinary shares up to a maximum of 350,000 new ordinary shares in the Company under the Scheme subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the bye-laws of the Scheme."

By Order of the Board

Tay Lee Kong
Company Secretary
Kuala Lumpur
22 May 1998

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint another person(s) as his proxy to attend and vote in his/her stead.
2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the percentage of his/her holding to be represented by each proxy.
3. An instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney and in the case of a corporation, shall be either given under its Common Seal or signed on its behalf by an attorney or officer of the corporation so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.



PARAMOUNT CORPORATION BERHAD

(Company No. 8578-A)
(Incorporated in Malaysia)

FORM OF PROXY

Numbers of shares held

I/We,
(FULL NAME IN CAPITAL LETTERS)

of
(FULL ADDRESS)

being a member/members of Paramount Corporation Berhad hereby appoint
(FULL NAME IN CAPITAL LETTERS)

of
(FULL ADDRESS)

and*
(FULL NAME IN CAPITAL LETTERS)

of
(FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 9 June 1998 at 10.30 a.m. or immediately upon the conclusion or adjournment of the twenty-eighth Annual General Meeting or at any adjournment thereof, as indicated below:-

* The name and address should be completed where it is desired to appoint two proxies. Where two proxies are appointed you should specify the proportions of your holdings to be represented by each proxy.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. Proposed Employee Share Option Scheme for Eligible Employees of Paramount Corporation Berhad and its subsidiaries		
2. Proposed Issue of Options to Teo Chiang Quan		
3. Proposed Issue of Options to Ong Keng Siew		

(Please indicate with an "X" in the spaces provided above as to how you wish your votes to be cast. If you do not do so, your proxy will vote or abstain at his discretion)

Signed this day of 1998

.....
Signature(s) or Common Seal



Notes:

1. *A member entitled to attend and vote at the above meeting is entitled to appoint another person(s) as his proxy to attend and vote in his/her stead.*
2. *Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the percentage of his/her holding to be represented by each proxy.*
3. *An instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney and in the case of a corporation, shall be either given under its Common Seal or signed on its behalf by an attorney or officer of the corporation so authorised.*
4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.*