

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action you should take, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other professional adviser immediately.

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**CIRCULAR TO SHAREHOLDERS**

**in relation to:**

**PROPOSED OFFER AND GRANT OF ADDITIONAL SHARE OPTIONS TO DATO' TEO CHIANG QUAN, THE GROUP MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER, AND MR ONG KENG SIEW, THE DEPUTY GROUP MANAGING DIRECTOR & DEPUTY GROUP CHIEF EXECUTIVE OFFICER, OF PARAMOUNT CORPORATION BERHAD**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the Extraordinary General Meeting ("EGM") to be held at Topas Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 21 May 2008 at 11.30 a.m. or so soon thereafter as the Thirty-Eight (38<sup>th</sup>) Annual General Meeting of the Company scheduled to be held at 10.00 a.m. at the same venue shall have been concluded or adjourned for the purpose of considering the abovementioned proposal together with the form of proxy are enclosed in this Circular.

A shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. The Proxy Form must be deposited at the Registered Office of the Company at Level 8, Uptown 1, 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the EGM.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 19 May 2008 at 11.30 a.m.

Date and time of the EGM : Wednesday, 21 May 2008 at 11.30 a.m.

**This Circular is dated 28 April 2008**

## DEFINITIONS

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In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

“Act”	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof.
“Articles”	:	Articles of Association of the Company.
“Board”	:	Board of Directors of Paramount.
“Bursa Depository” or “the Depository”	:	Bursa Malaysia Depository Sdn Bhd.
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W).
“By-Laws”	:	The existing By-Laws governing the ESOS, as amended from time to time and the terms “By-Laws” shall be construed accordingly.
“Director(s)”	:	Director(s) of Paramount.
“EGM”	:	Extraordinary General Meeting.
“ESOS”	:	Employees’ Share Option Scheme.
“Executive Directors”	:	The Directors of the Paramount Group who are on the payroll of the Group and who are involved in the day-to-day management of the Group.
“Listing Requirements”	:	Listing Requirements of Bursa Securities including any amendments to the Listing Requirements that may be made from time to time.
“NA”	:	Net assets.
“Option(s)”	:	The right of a Grantee to subscribe for new Paramount Shares pursuant to the contract constituted by acceptance by an eligible employee, in the manner indicated in the By-Laws, of an offer made to such eligible employee pursuant to the By-Laws.
“Paramount” or “the Company”	:	Paramount Corporation Berhad (8578-A).
“Paramount Group” or “the Group”	:	Paramount and its Subsidiaries.
“Paramount Shares”	:	Ordinary shares of Ringgit Malaysia One (RM1.00) each in Paramount.

## DEFINITIONS (cont'd)

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- “Proposed Grant of ESOS Options” : Proposed offer and grant of additional share options pursuant to Paramount’s ESOS to Dato’ Teo Chiang Quan, the Group Managing Director & Group Chief Executive Officer, and Mr Ong Keng Siew, the Deputy Group Managing Director & Deputy Group Chief Executive Officer, of Paramount.
- “RM” and “sen” : Ringgit Malaysia and sen respectively.
- “Subsidiary” or Subsidiaries” : The subsidiary or subsidiaries of Paramount within the meaning of Section 5 of the Act, which are not dormant.
- “Subscription Price” : The price at which a Grantee shall be entitled to subscribe for new Paramount Shares as set out in the By-Laws.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless specified otherwise.

All references to “you” in this Circular are to Paramount shareholders. All references to “we”, “us”, “our” and “our Company” in this Circular are to Paramount.

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**PARAMOUNT CORPORATION BERHAD**  
(Company No.: 8578-A)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

Level 8, Uptown 1  
1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Date: 16 April 2008

**BOARD OF DIRECTORS:**

Dato' Md Taib Bin Abdul Hamid (*Chairman, Independent Non-Executive Director*)  
Dato' Teo Chiang Quan (*Group Managing Director & Group Chief Executive Officer*)  
Mr Ong Keng Siew (*Deputy Group Managing Director & Deputy Group Chief Executive Officer*)  
Tan Sri Dato' Ahmad Sabki Bin Jahidin (*Independent Non-Executive Director*)  
Dato' Haji Azlan Bin Hashim (*Independent Non-Executive Director*)  
Cik Rohana Tan Sri Mahmood (*Non-Independent Non-Executive Director*)  
Mr Geh Cheng Hooi (*Independent Non-Executive Director*)  
Mr Quah Chek Tin (*Independent Non-Executive Director*)

To: *The Shareholders of Paramount*

Dear Sir/Madam

**PROPOSED OFFER AND GRANT OF ADDITIONAL SHARE OPTIONS TO DATO' TEO CHIANG QUAN, THE GROUP MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER, AND MR ONG KENG SIEW, THE DEPUTY GROUP MANAGING DIRECTOR & DEPUTY GROUP CHIEF EXECUTIVE OFFICER, OF PARAMOUNT**

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**1. INTRODUCTION**

On 16 April 2008, the Board announced that pursuant to Paramount's ESOS, the Company proposes to offer and grant to Dato' Teo Chiang Quan, the Group Managing Director & Group Chief Executive Officer, and Mr Ong Keng Siew, the Deputy Group Managing Director & Deputy Group Chief Executive Officer, additional options to subscribe for 250,000 new Paramount Shares each, thereby increasing their maximum entitlement to 1,000,000 and 750,000 new Paramount Shares, respectively, subject to the By-Laws of the ESOS.

The Company had, at an EGM held on 22 August 2005, approved the allocations to Dato' Teo Chiang Quan and Mr Ong Keng Siew of options to subscribe up to the maximum entitlement of 750,000 and 500,000 new Paramount Shares, respectively, subject to the By-Laws of the ESOS.



The Purpose of this Circular is to provide you with the details of the Proposed Grant of ESOS Options, to set out your Board's opinion and recommendation thereon and to seek your approval for the ordinary resolutions pertaining to the Proposed Grant of ESOS Options to be tabled at the forthcoming EGM, notice of which is enclosed in the Circular.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RELEVANT RESOLUTIONS PERTAINING TO THE PROPOSED GRANT OF ESOS OPTIONS AT THE FORTHCOMING EGM**

## **2. PROPOSED GRANT OF ESOS OPTIONS**

### **2.1 Details of the Proposed Grant of ESOS Options**

The ESOS Committee (appointed by the Board to administer the ESOS) proposes to offer and grant to Dato' Teo Chiang Quan, the Group Managing Director & Group Chief Executive Officer, and Mr Ong Keng Siew, the Deputy Group Managing Director & Deputy Group Chief Executive Officer, additional options to subscribe for 250,000 new Paramount Shares each, thereby increasing their maximum entitlement to 1,000,000 and 750,000 new Paramount Shares, respectively, subject always to such terms and conditions of, and/or any adjustments which may be made in accordance with the provisions of the By-Laws governing the ESOS.

The new Paramount Shares to be allotted upon any exercise of the ESOS Options shall, upon allotment and issue, rank *pari passu* in all respects with the existing issued and fully paid-up Paramount Shares save and except that the new Paramount Shares will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment of the new Paramount Shares. For the purpose hereof, entitlement date means the date at the close of business on which shareholders must be registered in order to participate in any dividends, rights, allotments and/or other distributions. The ESOS Options shall not carry any rights to vote at any general meeting of the Company.

In accordance with the By-Laws governing the ESOS, the subscription price of the above ESOS Options shall be at a discount of not more than ten per cent (10%) (if deemed appropriate by the ESOS Committee) from the five (5) day weighted average market price of Paramount Shares immediately preceding the date on which the ESOS Options are granted or such other pricing mechanism as may be prescribed by the relevant authorities from time to time, subject to such adjustments in accordance with the By-Laws, provided that the subscription price shall in no event be less than the par value of the Paramount Shares.

The proceeds to be raised from the Proposed Grant of ESOS Options would depend on the number of Options granted and exercised at any point in time as well as the price payable upon the exercise of the Options. The proceeds from the Proposed Grant of ESOS Options will be utilised to enhance the working capital of the Paramount Group.

## **2.2 Rationale for the Proposed Grant of ESOS Options**

The proposed Grant of ESOS Options to Dato' Teo Chiang Quan and Mr Ong Keng Siew is in recognition of the positions that they hold, their tenure of service and individual contributions made to the growth of Paramount Group. The ESOS Options is to enable the Company to motivate the Group's employees who are dedicated and loyal; reward and retain employees whose services are vital to the Group's businesses, continued growth and future expansion; allow employees to participate in the equity of the Company with a view to increasing the overall performance of the Group; and give a valuable incentive to employees without adversely affecting its cash flow.

## **2.3 Effects of the Proposed Grant of ESOS Options**

### **(i) On Share capital**

The Proposed Grant of ESOS Options will not have any immediate effect on the issued and paid-up share capital of the Company. However, the issued and paid-up share capital of Paramount will increase progressively as and when the new Paramount Shares are issued pursuant to the exercise of the ESOS Options under the Proposed Grant of ESOS Options.

### **(ii) On NA**

The Proposed Grant of ESOS Options is not expected to have any immediate effect on the consolidated NA per share until such time as the relevant ESOS Options are exercised. Any potential effect on the consolidated NA per share in the future would depend on the number of ESOS Options exercised at the relevant point in time, as well as the price payable upon the exercise of the ESOS Options.

### **(iii) On Earnings**

The Proposed Grant of ESOS Options is not expected to have any immediate effect on the consolidated earnings of Paramount until the exercise of the relevant ESOS Options pursuant to the Proposed Grant of ESOS Options. Any potential effect on the consolidated earnings of Paramount in the future would depend on the number of ESOS Options exercised at the relevant point in time, the exercise price paid upon the exercise of the ESOS Options and the utilisation of proceeds arising from the exercise of the ESOS Options.

### **(iv) Dividends**

The potential effect of the Proposed Grant of ESOS Options on the dividends to be declared by Paramount for the current and future financial years would be dependent on the dividend rate to be determined after taking into consideration the financial performance of the Paramount Group.

**(v) On Substantial Shareholders**

The Proposed Grant of ESOS Options is not expected to have any effect on the shareholdings of the substantial shareholders of Paramount until such time as and when the relevant ESOS Options granted are exercised. Any potential effect on the shareholdings of the substantial shareholders of Paramount in the future would depend upon the number of ESOS Options exercised at the relevant point in time.

**2.4 Approvals required**

The Proposed Grant of ESOS Options is conditional upon approval being obtained from the shareholders of Paramount at the forthcoming EGM to be convened.

**3. CORPORATE PROPOSALS ANNOUNCED BUT NOT YET IMPLEMENTED**

There is no outstanding corporate proposal.

**4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save as disclosed below, none of the Directors, major shareholders and persons connected with them (as defined in paragraph 1.01 of the Listing Requirements) have any interest, direct or indirect in the Proposed Grant of ESOS Options:-

- (a) Dato' Teo Chiang Quan is an Executive Director of Paramount and is deemed a Major Shareholder of Paramount through his substantial shareholdings in Paramount Equities Sdn Bhd, Teo Soo Pin Sdn Berhad and Qualipro Corporation Sdn Bhd (which are all shareholders of Paramount). He is eligible for Options to be allocated under the Proposed Grant of ESOS Options and is therefore deemed interested in respect of his entitlement under the Proposed Grant of ESOS Options; and
- (b) Mr Ong Keng Siew is an Executive Director of Paramount and is eligible for Options to be allocated under the Proposed Grant of ESOS Options. He is therefore deemed interested in respect of his entitlement under the Proposed Grant of ESOS Options.

Dato' Teo Chiang Quan and Mr Ong Keng Siew are collectively referred to as the "Interested Directors".



The direct and indirect interests of the aforementioned Executive Directors/Major Shareholder in the Company as at 31 March 2008 and their respective entitlements under the Proposed Grant of ESOS Options are set out below:-

<-----No. of Paramount Shares----->

Name of Executive Director/Major Shareholder	Direct	%	Indirect	%	Additional entitlement	Maximum entitlement
<i>Executive Director/ Major Shareholder</i>						
Dato' Teo Chiang Quan	796,000	0.74	31,654,888*	29.39	250,000	1,000,000 <sup>#</sup>
<i>Executive Director</i>						
Mr Ong Keng Siew	446,000	0.41	-	-	250,000	750,000 <sup>#</sup>

*Note:*

\* *By virtue of his deemed interest in Paramount Equities Sdn Bhd, Teo Soo Pin Sdn Berhad and Qualipro Corporation Sdn Bhd*

<sup>#</sup> *The Company had at an EGM held on 22 August 2005 approved the allocations to Dato' Teo Chiang Quan and Mr Ong Keng Siew of options to subscribe up to the maximum entitlement of 750,000 and 500,000 new Paramount Shares, respectively, subject to the By-Laws of the ESOS.*

The Interested Directors (including Dato' Teo Chiang Quan in his capacity as an interested Major Shareholder) have abstained and will continue to abstain from all deliberations and voting at Board meetings in respect of their respective entitlements under the Proposed Grant of ESOS Options and will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolutions pertaining to their entitlements under the Proposed Grant of ESOS Options at the forthcoming EGM.

The Interested Directors (including Dato' Teo Chiang Quan in his capacity as an interested Major Shareholder) will ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolutions pertaining to their entitlements under the Proposed Grant of ESOS Options at the forthcoming EGM.

## 5. DIRECTORS' RECOMMENDATION

Our Board (with the exception of the Interested Directors, Dato' Teo Chiang Quan and Mr Ong Keng Siew, who are deemed interested in their respective allocations under the Proposed Grant of ESOS Options), after having considered all aspects of the Proposed Grant of ESOS Options, is of the opinion that the Proposed Grant of ESOS Options is in the best interest of our Company. Accordingly, our Board, save for Dato' Teo Chiang Quan and Mr Ong Keng Siew, recommends that you vote in favour of the resolutions relating to the Proposed Grant of ESOS Options to be tabled at the forthcoming EGM.

**6. EGM**

The EGM, notice of which is enclosed in this Circular, will be held at Topas Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 21 May 2008 at 11.30 a.m. or so soon thereafter as the Thirty-Eight (38<sup>th</sup>) Annual General Meeting of the Company scheduled to be held at 10.00 a.m. at the same venue shall have been concluded or adjourned for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposed Grant of ESOS Options.

If you are unable to attend and vote in person at the EGM, you should complete and return the Proxy Form enclosed in this Circular in accordance with the instructions therein as soon as possible and in any event so as to arrive at our Registered Office at Level 8, Uptown 1, 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the EGM or any adjournment thereof.

The completion and return of the Proxy Form does not preclude you from attending and voting in person at the EGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the EGM.

**7. FURTHER INFORMATION**

We request that you refer to the attached appendices for further information.

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

**Dato' Md Taib Bin Abdul Hamid**  
Chairman

**HISTORICAL SHARE PRICES**

Details of the highest and lowest share price of the Company as traded on the Main Board of Bursa Securities for the past twelve (12) months are as follows:-

<b>Year</b>	<b>Month</b>	<b>High (RM)</b>	<b>Low (RM)</b>
2007	April	2.78	2.34
	May	2.65	2.26
	June	2.58	2.29
	July	2.78	2.50
	August	2.64	2.07
	September	2.50	2.36
	October	2.52	2.41
	November	2.46	2.36
	December	2.50	2.33
2008	January	2.47	2.15
	February	2.44	2.14
	March	2.26	2.00

The last transacted price of Paramount Shares on Bursa Securities on 15 April 2008 was RM2.22, being the last market day prior to the announcement of the Proposed Grant of ESOS Options.

The last transacted price of Paramount Shares on Bursa Securities on 22 April 2008 was RM2.32, being the last practicable date prior to the printing of this Circular.

FURTHER INFORMATION

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this Circular:-

- (a) On 25 March 2008, Janahasil Sdn Bhd, a wholly owned subsidiary of KDU College Sdn Bhd, which is, in turn, a 85% owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Nusajaya Rise Sdn Bhd and UEM Land Sdn Bhd, a wholly-owned subsidiary of UEM World Berhad, for the acquisition of a 10-acre freehold agricultural land forming part of the land held under H.S. (D) 450559 No. Lot PTD 153275 in Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim at a total cash consideration of RM13,068,000/-. The proposed acquisition is pending fulfillment of condition precedents.
- (b) On 5 February 2008, Seleksi Megah Sdn Bhd, a wholly owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Sunhom Sdn Bhd, for the acquisition of a piece of 99-year leasehold vacant industrial land measuring approximately 4.33 acres or 188,615 square feet, identified as Lot 9, Jalan Teknologi 3/1, Taman Sains Selangor 1, Kota Damansara at a total cash consideration of RM19,410,790/-. The proposed acquisition is pending fulfillment of condition precedents.
- (c) On 22 January 2008, Supreme Essence Sdn Bhd, a 51% owned subsidiary of Broad Projects Sdn Bhd, which is, in turn, a wholly owned subsidiary of the Company, entered into a conditional Sale Agreement with Perfect Resources (M) Sdn Bhd, for the acquisition of two pieces of 99-year leasehold vacant industrial land known as Lot 2 and Lot 4, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, Petaling Jaya, Selangor, measuring approximately 13.21 acres or 575,471 square feet at a total cash consideration of RM30,773,550/-. The proposed acquisition is pending fulfillment of condition precedents.

- (d) On 19 October 2007, Jasarim Bina Sdn Bhd, a wholly owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Rangkaian Cipta Sdn Bhd, for the acquisition of a piece of leasehold land known as No. 76, Jalan University, 46200 Petaling Jaya, Selangor Darul Ehsan measuring in area 21,050 square meters together with the buildings constructed thereon at a total cash consideration of RM43,034,620/-. The sale was deemed completed on 20 February 2008 following the settlement of the balance of purchase price of RM38,731,158/-.
- (e) On 21 September 2007, Seleksi Megah Sdn Bhd, a wholly owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Oji Screens Sdn Bhd, for the acquisition of a piece of 99-year leasehold vacant industrial land measuring approximately 5.12 acres or 223,027 square feet identified as Lot 7, Jalan Teknologi 3/1, Taman Sains Selangor 1, Kota Damansara at a total cash consideration of RM20,518,484/-. The proposed acquisition is pending fulfillment of condition precedents.
- (f) On 23 June 2006, Paramount Property (Utara) Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Ideal Appraisal Sdn Bhd, for the acquisition of fifteen contiguous pieces of freehold land measuring in total area approximately 576.18877 acres, all located in the Mukim of Sungai Petani, Bandar Amanjaya, Daerah Kuala Muda, Negeri Kedah Darul Aman at a total cash consideration of RM38,905,055.52. The sale was deemed completed on 20 December 2006 following the settlement of the balance of the final adjusted purchase price of RM38,878,276.25, amounting to RM34,987,770.70.
- (g) On 31 March 2006, Wangsa Merdu Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with HKH Holdings Sdn Bhd, for the disposal of Regency Tower at a total cash consideration of RM62,500,000/-, and the sale was deemed completed on 11 July 2006.

### **3. MATERIAL LITIGATION, CLAIM AND ARBITRATION**

Save as disclosed below, neither Paramount nor Paramount's subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on our Company's financial position, and our Directors are not aware of any proceedings, pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect our financial position or business.

On 7 May 2002, Berkeley Sdn Bhd (BSB) had appealed against the decision of the High Court dismissing BSB's claim against Consolidated Plantations Berhad (CPB), *inter alia*, RM34,152,136 arising from CPB's breach of a contract dated 5 September 1973 with respect to the purchase from CPB of 88 acres of land held under Lot 11811 (lot 3903) Grant 23893, Mukim Bukit Raja, Klang, Selangor Darul Ehsan. The appeal is still pending and the solicitors of BSB are of the opinion that BSB stands a fair chance of succeeding in its appeal.

The BSB claim and appeal will not have any adverse material effect on the financial position of Paramount Group.



**4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or copies of them are available for inspection at our registered office at Level 8, Uptown 1, 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (excluding public holidays) from the date of this Circular up to the date of the EGM:

- i) Our Memorandum and Articles of Association;
- ii) Our audited financial statements for the past two (2) financial years ended 31 December 2006 and 31 December 2007;
- iii) The material contracts as disclosed in Section 2 above; and
- iv) The Record of Appeal in relation to the material litigation referred to in Section 3 above.

**PARAMOUNT CORPORATION BERHAD**  
**(Company No. 8578-A)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Paramount Corporation Berhad (“Paramount” or “the Company”) will be held on Wednesday, 21 May 2008 at 11.30 a.m. or so soon thereafter as the Thirty-Eighth (38<sup>th</sup>) Annual General Meeting of the Company scheduled to be held at 10.00 a.m. at the same venue shall have been concluded or adjourned for the purpose of considering and, if thought fit, passing the following resolutions:

**ORDINARY RESOLUTION 1**

**PROPOSED GRANT OF ESOS OPTIONS TO DATO’ TEO CHIANG QUAN, THE GROUP MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER OF PARAMOUNT**

“THAT the Board of Directors of the Company be and is hereby authorised to offer and grant to Dato’ Teo Chiang Quan, the Group Managing Director & Group Chief Executive Officer of Paramount, additional options to subscribe for 250,000 new Paramount Shares, thereby increasing his maximum entitlement to 1,000,000 new Paramount Shares, subject always to:

- (a) not more than fifty per centum (50%) of the new Paramount Shares available under the Scheme should be allocated in aggregate to the Directors and senior management of the Paramount Group; and
- (b) not more than ten per centum (10%) of the new Paramount Shares available under the Scheme should be allocated to any individual Director or employee, who either singly or collectively through persons connected with the Director or employee, holds twenty per centum (20%) or more of the issued and paid-up capital of Paramount; and
- (c) be entitled to subscribe for new Paramount Shares under an Option at higher of:
  - i) the five (5) day weighted average market price of the underlying shares of the Offer Date (as defined in the By-Laws); or
  - ii) the par value of the Paramount Shares;

subject always to other terms and conditions and/or any adjustments that may be made in accordance with the provisions of the By-Laws of the Scheme.”

**ORDINARY RESOLUTION 2**

**PROPOSED GRANT OF ESOS OPTIONS TO MR ONG KENG SIEW, THE DEPUTY GROUP MANAGING DIRECTOR & DEPUTY GROUP CHIEF EXECUTIVE OFFICER OF PARAMOUNT**

“THAT the Board of Directors of the Company be and is hereby authorised to offer and grant to Mr Ong Keng Siew, the Deputy Group Managing Director & Deputy Group Chief Executive Officer of Paramount, additional options to subscribe for 250,000 new Paramount Shares, thereby increasing his maximum entitlement to 750,000 new Paramount Shares, subject always to:

- (a) not more than fifty per centum (50%) of the new Paramount Shares available under the Scheme should be allocated in aggregate to the Directors and senior management of the Paramount Group; and

- (b) not more than ten per centum (10%) of the new Paramount Shares available under the Scheme should be allocated to any individual Director or employee, who either singly or collectively through persons connected with the Director or employee, holds twenty per centum (20%) or more of the issued and paid-up capital of Paramount; and
- (c) be entitled to subscribe for new Paramount Shares under an Option at higher of:
  - i) the five (5) day weighted average market price of the underlying shares of the Offer Date (as defined in the By-Laws); or
  - ii) the par value of the Paramount Shares;subject always to other terms and conditions and/or any adjustments that may be made in accordance with the provisions of the By-Laws of the Scheme.”

By Order of the Board

**TAY LEE KONG**  
Company Secretary

Petaling Jaya  
Selangor Darul Ehsan  
28 April 2008

NOTES

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. A proxy need not be a member of the Company.
2. The proxy form must be deposited at the Registered Office of the Company at Level 8, Uptown 1, 1, Jalan SS 21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of Paramount Corporation Berhad hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
\_\_\_\_\_

or failing him/her the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting to be held at Topas Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 21 May 2008 at 11.30 a.m. or so soon thereafter as the Thirty-Eighth (38<sup>th</sup>) Annual General Meeting of the Company scheduled to be held at 10.00 a.m. at the same venue shall have been concluded or adjourned.

I/We direct my/our proxy to vote (see Note 3) for or against the resolutions to be proposed at the meeting as hereunder indicated.

No.	Resolution	For	Against
Ordinary Resolution 1	Proposed Grant of ESOS Options to Dato' Teo Chiang Quan		
Ordinary Resolution 2	Proposed Grant of ESOS Options to Mr Ong Keng Siew		

Dated this \_\_\_\_\_ day \_\_\_\_\_ 2008.

NO. OF SHARES HELD

Signature/Common Seal

### NOTES

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. A proxy need not be a member of the Company.
2. The proxy form must be signed by the appointer or his attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its attorney or officer duly authorised in writing. The power of attorney or a duly certified copy thereof must be deposited at the Company's Registered Office within the period stated below. In the case of joint members, the signature of any one joint member is sufficient.
3. Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. The proxy form must be deposited at the Registered Office of the Company at Level 8, Uptown 1, 1, Jalan SS 21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.



*Fold this flap for sealing*

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*Then fold here*

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AFFIX  
STAMP

The Company Secretary  
**PARAMOUNT CORPORATION BERHAD** (8578-A)  
Level 8, Uptown 1  
1, Jalan SS 21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

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