

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Notice of the Extraordinary General Meeting ("EGM") of Paramount Corporation Berhad together with the Proxy Form are enclosed in this Circular.

As a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint a proxy to attend and vote on your behalf. The relevant Proxy Form must be deposited at our registered office at Level 8, Uptown 1, 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not later than forty-eight (48) hours before the time set for the meeting or at any adjournment thereof. You may still attend and vote in person at the meeting if you wish to, even after you have lodged the Proxy Form.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED BONUS ISSUE OF 48,258,779 NEW ORDINARY SHARES OF RM1.00 EACH IN PARAMOUNT CORPORATION BERHAD ("PCB") ("PCB SHARES") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF TWO (2) NEW PCB SHARES FOR EVERY FIVE (5) EXISTING PCB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE");**
- (II) PROPOSED SUBDIVISION OF EVERY ONE (1) ORDINARY SHARE OF RM1.00 EACH IN PCB AFTER THE PROPOSED BONUS ISSUE INTO TWO (2) ORDINARY SHARES OF RM0.50 EACH IN PCB ("SUBDIVIDED SHARES") ("PROPOSED SUBDIVISION"); AND**
- (III) PROPOSED AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF PCB TO ACCOMMODATE THE PROPOSED SUBDIVISION ("PROPOSED AMENDMENT")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Last date and time for lodging the Proxy Form	: 30 May 2011 at 11:30 a.m.
Date and time of the EGM	: 1 June 2011 at 11:30 a.m., or so soon thereafter as the 41 st Annual General Meeting of the Company scheduled for the same day at 10:00 a.m. and at the same venue shall have been concluded or adjourned
Venue of the EGM	: Zamrud Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan

This Circular is dated 10 May 2011

DEFINITIONS

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

Act	: Companies Act, 1965 and any amendments made thereto from time to time
Board	: Board of Directors
Bonus Share(s)	: New PCB Share(s) to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
CIMB	: CIMB Investment Bank Berhad
Circular	: This circular to shareholders of Paramount Corporation Berhad dated 10 May 2011
EGM	: Extraordinary general meeting
Entitlement Date	: Date as at the close of business (to be determined and announced later by the Board) on which shareholders of our Company must be registered in our Record of Depositors in order to be entitled to participate in the Proposed Bonus Issue and the Proposed Subdivision
EPS	: Earnings per share
FYE	: Financial year ended or financial year ending as the case may be
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 6 May 2011, being the latest practicable date prior to the issuance of this Circular
NA	: Net assets
PCB or the Company	: Paramount Corporation Berhad
PCB Group or Group	: PCB and its subsidiaries, collectively
PCB Shares	: Ordinary shares of RM1.00 each in PCB
Proposals	: Collectively, the Proposed Bonus Issue, the Proposed Subdivision and the Proposed Amendment
Proposed Amendment	: Proposed amendment to the Memorandum and Articles of Association of PCB to accommodate the Proposed Subdivision
Proposed Bonus Issue	: Proposed bonus issue of 48,258,779 new ordinary shares of RM1.00 each in PCB to be credited as fully paid-up on the basis of two (2) new PCB Shares for every five (5) existing PCB Shares held on an entitlement date to be determined later
Proposed Subdivision	: Proposed subdivision of every one (1) ordinary share of RM1.00 each in PCB after the Proposed Bonus Issue into two (2) ordinary shares of RM0.50 each in PCB

DEFINITIONS (*cont'd*)

Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
Subdivided Shares	:	Ordinary share(s) of RM0.50 each in PCB after the Proposed Bonus issue and pursuant to the Proposed Subdivision

CURRENCIES:

RM	:	Ringgit Malaysia
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All references to “our Company” in this Circular are to PCB and all references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references to the shareholders in our Company.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations unless otherwise specified.

Any reference in the 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 reference to Malaysian time, unless otherwise stated.

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NOTICE OF EGM

ENCLOSED

PROXY FORM

ENCLOSED

PARAMOUNT[®]

CORPORATION BERHAD
(8578-A)

(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

10 May 2011

Board of Directors:

Dato' Md Taib bin Abdul Hamid (*Chairman and Non-Independent Non-Executive Director*)
Dato' Teo Chiang Quan (*Executive Deputy Chairman*)
Ong Keng Siew (*Managing Director and Chief Executive Officer*)
Dato' Haji Azlan bin Hashim (*Independent Non-Executive Director*)
Datuk Rohana Tan Sri Mahmood (*Independent Non-Executive Director*)
Geh Cheng Hooi (*Independent Non-Executive Director*)
Quah Chek Tin (*Independent Non-Executive Director*)
Datuk Seri Michael Yam Kong Choy (*Independent Non-Executive Director*)

To our shareholders

Dear Sir/Madam,

- (I) **PROPOSED BONUS ISSUE;**
 - (II) **PROPOSED SUBDIVISION; AND**
 - (III) **PROPOSED AMENDMENT**
-

1. INTRODUCTION

On 24 February 2011, CIMB had, on behalf of our Board, announced that we are proposing to undertake the following:

- (i) proposed bonus issue of 48,258,779 PCB Shares to be credited as fully paid-up on the basis of two (2) new PCB Shares for every five (5) existing PCB Shares held on an entitlement date to be determined later;
- (ii) proposed subdivision of every one (1) ordinary share of RM1.00 each in PCB after the Proposed Bonus Issue into two (2) ordinary shares of RM0.50 each in PCB; and
- (iii) proposed amendment to the Memorandum and Articles of Association of PCB to accommodate the Proposed Subdivision.

Bursa Securities had, via its letter dated 20 April 2011, approved the listing and quotation of 48,258,779 new ordinary shares to be issued pursuant to the Proposed Bonus Issue and the Proposed Subdivision, subject to the following conditions:

- (i) PCB and its adviser must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;
- (ii) PCB and its adviser to inform Bursa Securities upon completion of the Proposed Bonus Issue;
- (iii) PCB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and
- (iv) PCB and its adviser are required to make the relevant announcements pursuant to paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements for the Proposed Bonus Issue and paragraph 13.10(2) of the Listing Requirements for the Proposed Subdivision.

The purpose of this Circular is to provide you with the details of the Proposals and to seek your approval for the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM. We have enclosed the notice of EGM together with the Proxy Form in this Circular.

WE ADVISE YOU TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSALS AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Bonus Issue

The Proposed Bonus Issue entails the issuance of new PCB Shares ("**Bonus Shares**") to be credited as fully paid-up on the basis of two (2) Bonus Shares for every five (5) existing PCB Shares held by the shareholders of PCB whose names appear on the Record of Depositors of the Company on an entitlement date to be determined later ("**Entitlement Date**").

A total of 48,258,779 Bonus Shares are to be issued and allotted pursuant to the Proposed Bonus Issue.

In determining shareholders' entitlement to the Bonus Shares, fractional entitlements, if any, will be disregarded and shall be dealt with in such manner as the Board of Directors shall in its absolute discretion deem fit and expedient in order to minimize the incidence of odd lots.

2.1.1 Capitalisation of reserves

The Proposed Bonus Issue shall be capitalised wholly from the Company's share premium account.

An illustration of the capitalisation for the Proposed Bonus Issue is set out below:

	Audited as at 31 December 2010* (RM'000)
Share Premium	89,890
Amount to be capitalised for the Proposed Bonus Issue	48,259
After the Proposed Bonus Issue	41,631

Note:

* Based on the company's latest audited financial statements and its latest quarterly report as at 31 December 2010.

2.1.2 Ranking of the Bonus Issue

The Bonus Shares shall, upon issue and allotment, rank equally in all respects with the existing PCB Shares save and except that they will not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is prior to the date of issuance and allotment of the Bonus Shares.

2.1.3 Listing of and quotation for the Bonus Shares

The Bonus Shares will be subject to the Proposed Subdivision and we have obtained the approval from Bursa Securities for the listing of and quotation for the Subdivided Shares.

2.2 Proposed Subdivision

The Proposed Subdivision entails the subdivision of every one (1) ordinary share of RM1.00 each in PCB (including the Bonus Shares) held by the shareholders of the Company whose names appear in the Record of Depositors on the Entitlement Date into two (2) Subdivided Shares. The entitlement date for the Proposed Subdivision is the same as the entitlement date for the Proposed Bonus Issue.

Based on the issued and paid-up share capital of PCB after the Proposed Bonus Issue of RM168,905,728 comprising 168,905,728 PCB Shares of RM1.00 each, the resultant issued and paid-up share capital of PCB after the Proposed Subdivision shall be RM168,905,728 comprising 337,811,456 Subdivided Shares of RM0.50 each.

The 337,811,456 Subdivided Shares shall, pursuant to the Proposed Subdivision, rank *pari passu* in all respects with each other.

For illustrative purposes, based on the last transacted market price of our shares on the LPD, the market price of the Subdivided Shares after the Proposed Subdivision shall theoretically be adjusted as follows:

	Assumed number of shares held	Par value RM	Market price per share RM	Total value RM
As at the LPD	100	1.00	5.53	553
After the Proposed Bonus Issue	140	1.00	3.95	553
After the Proposed Subdivision	280	0.50	1.98	553

Based on the above illustration, the Proposed Subdivision is not expected to have any impact on the total value of ordinary shares held by shareholders in our Company.

No suspension will be imposed on the trading of the PCB Shares on Bursa Securities for the purpose of the Proposed Subdivision. The Subdivided Shares will be listed and quoted one (1) Market Day after the Entitlement Date. The notices of allotment will be issued and despatched to shareholders no later than four (4) Market Days after the date of listing of and quotation for the Subdivided Shares.

2.3 Proposed Amendment

The Memorandum and Articles of Association of the Company will be amended to accommodate the Proposed Subdivision. The authorised share capital of RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each in PCB will be amended to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each in PCB.

3. RATIONALE FOR THE PROPOSALS

The Proposed Bonus Issue is intended to increase the share capital base of the Company to a level which will better reflect PCB Group's current scale of operations, and will also serve to reward PCB's existing shareholders by enabling them to have a greater participation in the equity of the Company in terms of number of shares held. In addition, the liquidity and marketability of PCB Shares are also expected to improve with a larger capital base.

The Proposed Subdivision is expected to further improve the marketability and liquidity of PCB Shares on the Main Market of Bursa Securities as a result of the increase in the number of shares in issue. In addition, the reduced market price of PCB's shares is expected to make the shares more affordable and accessible in order to appeal to a wider group of public shareholders and investors.

The Proposed Amendment is undertaken to accommodate the Proposed Subdivision.

4. EFFECTS OF THE PROPOSALS

4.1 Proposed Bonus Issue and Proposed Subdivision

The Company does not have any existing convertible securities.

(i) Issued and paid-up share capital

The proforma effects of the Proposed Bonus Issue and the Proposed Subdivision on the issued and paid-up share capital of PCB are set out in the table below:

	Par value RM	No. of shares (‘000)	(RM’000)
As at the LPD	1.00	120,647	120,647
Bonus Shares to be issued pursuant to the Proposed Bonus Issue	1.00	48,259	48,259
After the Proposed Bonus Issue	1.00	168,906	168,906
After the Proposed Subdivision	0.50	337,811	168,906

(ii) Consolidated net asset per share attributable to ordinary shareholders

The proforma effects of the Proposed Bonus Issue and the Proposed Subdivision on the consolidated NA per share attributable to ordinary shareholders of PCB based on the latest audited consolidated financial statements of PCB for FYE 31 December 2010 are set out in the table below:

	Audited as at 31 December 2010 (RM'000)	(I) After the Proposed Bonus Issue (RM'000)	(II) After I and the Proposed Subdivision (RM'000)
Share capital	120,647	168,906	168,906
Share premium	89,890	41,631	41,631
Retained earnings	423,202	423,202	423,202
Other reserves	1,401	1,401	1,401
Total equity / NA attributable to ordinary shareholders	635,140	635,140	635,140
Number of PCB Shares in issue ('000)	120,647	168,906	337,811
Consolidated NA per ordinary share (RM)	5.26	3.76	1.88

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(iii) Consolidated earnings per share

The Proposed Bonus Issue and the Proposed Subdivision will not have any material effect on the consolidated earnings of PCB.

However, the consolidated EPS of PCB upon completion of the Proposed Bonus Issue and the Proposed Subdivision will be proportionately diluted as a result of the increase in the number of PCB Shares pursuant to the Proposed Bonus Issue and the Proposed Subdivision.

(iv) Substantial Shareholders' Shareholdings

The Proposed Bonus Issue and the Proposed Subdivision will not have any effect on the percentage of shareholdings of the substantial shareholders of PCB. However, the number of PCB Shares held by each substantial shareholder will increase proportionately as a result of the Proposed Bonus Issue and the Proposed Subdivision.

4.2 Proposed Amendment

The Proposed Amendment will not have any effect on the shareholdings of the substantial shareholders, the issued and paid-up share capital, consolidated NA per share, and EPS of the Group.

5. HISTORICAL SHARE PRICES

	High RM	Low RM
2010		
May	3.70	3.33
June	3.63	3.35
July	3.95	3.42
August	4.50	3.90
September	4.50	4.02
October	5.00	4.47
November	5.25	4.77
December	5.09	4.46
2011		
January	4.70	4.48
February	5.05	4.50
March	5.50	4.86
April	5.75	5.38
Last transacted price of PCB Shares on 23 February 2011, being the day prior to the date of announcement of the Proposals on 24 February 2011		RM4.58
Last transacted price of PCB Shares on the LPD		RM5.53

(Source : Bloomberg)

6. APPROVALS REQUIRED

Bursa Securities had approved the Proposed Bonus Issue and the Proposed Subdivision on 20 April 2011, subject to the conditions set out in Section 1 of the Circular, and the Proposals are now pending approvals being obtained from the following:

- (i) shareholders of PCB at the forthcoming EGM to be convened for the Proposals; and
- (ii) any other relevant authorities and/or parties, if required.

The Proposed Bonus Issue, the Proposed Subdivision and the Proposed Amendment are inter-conditional upon each other. The Proposals are not conditional upon any other corporate exercise/scheme of PCB.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors and/or major shareholders of PCB and/or persons connected to them have any interest, direct and/or indirect, in the Proposals, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue and the Proposed Subdivision which is also available to the other shareholders of the Company.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.

9. OTHER CORPORATE PROPOSALS

Save for the Proposals and those which are set out below, we have no other corporate exercise/scheme which has been announced but has yet to be completed as at the LPD:

- (i) On 3 November 2009, the Company entered into a Sale Agreement ("**SA**") with The Titular Superior of the Brothers of Saint Gabriel, for the acquisition of a piece of freehold vacant land measuring in area approximately 21.7 acres forming part of the land held under Geran 48178, Lot 1179, Mukim Damansara, Daerah Petaling, Negeri Selangor (the Master Title) for a total cash consideration calculated at the rate of RM66/- per square foot and estimated at a total sum of RM62,386,632 only subject to the subdivision of the Master Title and on the terms and conditions as contained in the SA. The Company has submitted an application for sub-division and it is pending State Exco approval;
- (ii) On 1 June 2010, Paramount Property (Cjaya) Sdn Bhd (formerly known as Omni Assets Sdn Bhd), a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement ("**SPA**") with Cyberview Sdn Bhd as a proprietor and Setia Haruman Sdn Bhd as a vendor, for the proposed acquisition of a piece of freehold residential land measuring in area approximately 50.01 acres identified as Block 17 within the Cyberjaya Flagship Zone, Mukim Dengkil, Daerah Sepang, Negeri Selangor Darul Ehsan for a total cash consideration of RM78,423,681.60 on the terms and conditions as contained in the SPA. The Foreign Investment Committee had approved the sale and the disposal is pending the issuance of a separate title from the Land Office; and
- (iii) On 29 April 2011, Berkeley Sdn Bhd, a wholly-owned subsidiary of the Company, entered into an agreement ("**Agreement**") with FK Realty Sdn Bhd, a subsidiary of Fung Keong Rubber Manufactory (Malaya) Sdn Berhad, for the acquisition of nine parcels of contiguous freehold land measuring in total area approximately 29.16 acres located in Klang, Mukim of Kapar for a total cash consideration of Ringgit Malaysia One Hundred and Ten Million (RM110,000,000.00) only on the terms and conditions as contained in the Agreement.

10. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSALS

Barring any unforeseen circumstances, the Proposals are expected to be completed by the 2nd quarter of 2011. The Proposed Bonus Issue and the Proposed Subdivision will only be implemented after the payment date of the final dividend of 20%, less income tax, for FYE 31 December 2010 ("**Final Dividend**"), announced by the Company on 24 February 2011.

Major Events	Year 2011
EGM of PCB	1 June
Payment date of the Final Dividend	22 June
Entitlement Date for the Proposed Bonus Issue and the Proposed Subdivision	End June
Listing and quotation of the Subdivided Shares	End June

11. EGM

We will hold an EGM, the notice of which is enclosed in this Circular, at Zamrud Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 1 June 2011 at 11:30 a.m., or so soon thereafter as the 41st Annual General Meeting of the Company scheduled for the same day at 10:00 a.m. and at the same venue shall have been concluded or adjourned, for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out in the Notice of EGM.

If you are unable to attend and vote in person at the EGM, please complete and return the enclosed Proxy Form for the EGM 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 later than forty-eight (48) hours before the time set for the EGM or at any adjournment thereof. The Proxy Form should be completed strictly in accordance with the instructions contained therein. The completion and the return of the Proxy Form will not preclude you from attending and voting in person should you subsequently decide to do so.

12. FURTHER INFORMATION

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

Yours faithfully
for and on behalf of the Board of
Paramount Corporation Berhad

Dato' Md Taib bin Abdul Hamid
Chairman

ADDITIONAL INFORMATION**1. 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 in this Circular. They confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular misleading.

2. DECLARATIONS OF CONFLICT OF INTEREST AND CONSENTS

CIMB, being named as the Principal Adviser to our Company for the Proposed Bonus Issue and the Proposed Subdivision, 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 manner in which they appear in this Circular.

CIMB is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser to our Company for the Proposed Bonus Issue and the Proposed Subdivision.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, neither we nor our subsidiaries are involved in any material litigation, claim or arbitration, either as plaintiff or defendant, and our Directors do not have any knowledge of any proceeding, pending or threatened, against our Group or any facts likely to give rise to any proceeding which might materially and adversely affect the position of our Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

Save as disclosed below, as at 30 April 2011, our Directors are not aware of any material commitments contracted or known to be contracted by our Group which may have a material impact on the financial position of our Group.

	<u>(RM'000)</u>
Approved and contracted for:	
Property, plant & equipment	12,612
Land held for property development	169,581
Approved but not contracted for:	
Property, plant & equipment	16,018
	<u>198,211</u>

4.2 Contingent liabilities

As at the 30 April 2011, our Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) Our Memorandum and Articles of Association;
- (ii) Our audited consolidated financial statements for FYE 31 December 2009 and FYE 31 December 2010; and
- (iii) The letter of consent referred to in Section 2 of this Appendix.

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PARAMOUNT[®]

CORPORATION BERHAD

(8578-A)

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

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 Zamrud Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 1 June 2011 at 11:30 a.m. or so soon thereafter as the 41st Annual General Meeting of the Company scheduled for the same day at 10:00 a.m. and at the same venue shall have been concluded or adjourned, for the purpose of considering and, if thought fit, passing, with or without any modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF 48,258,779 NEW ORDINARY SHARES OF RM1.00 EACH IN PCB (“PCB SHARES”) TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF TWO (2) NEW PCB SHARES FOR EVERY FIVE (5) EXISTING PCB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)

“**THAT**, subject to the passing of Ordinary Resolution 2 and Special Resolution 1, approval be and is hereby given to the Board to capitalize RM48,258,779 out of the share premium account of the Company, and to apply the same for the purpose of issuing 48,258,779 new ordinary shares of RM1.00 each in PCB to be credited as fully paid-up on the basis of two (2) new PCB Shares for every five (5) existing PCB Shares held by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on a date to be determined by the Board as they may deem expedient and to be announced by the Company.

THAT such Bonus Shares shall, upon allotment and issue, rank equally in all respects with the then PCB shares save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of issuance and allotment of the Bonus Shares.

THAT in determining shareholders' entitlement to the Bonus Shares, fractional entitlements, if any, shall be disregarded and shall be dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient.

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Bonus Issue, with full powers to assent to any conditions, modifications, variations and/or amendments thereto as the Board may deem fit in connection with the Proposed Bonus Issue in the best interest of the Company.”

ORDINARY RESOLUTION 2

PROPOSED SUBDIVISION OF EVERY ONE (1) ORDINARY SHARE OF RM1.00 EACH IN PCB AFTER THE PROPOSED BONUS ISSUE INTO TWO (2) ORDINARY SHARES OF RM0.50 EACH IN PCB (“PROPOSED SUBDIVISION”)

“**THAT**, subject to the passing of Ordinary Resolution 1, and Special Resolution 1, approval be and is hereby given for the Board to subdivide the Company's entire issued and paid up capital of RM168,905,728 comprising 168,905,728 ordinary shares of RM1.00 each into RM168,905,728 comprising 337,811,456 ordinary shares of RM0.50 each held by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on a date to be determined by the Board as they may deem expedient and to be announced by the Company.

THAT the shares arising from the Proposed Subdivision shall rank equally in all respects with each other.

AND THAT the Board be and is hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to the subdivision of the shares.”

SPECIAL RESOLUTION 1

PROPOSED AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF PCB TO ACCOMMODATE THE PROPOSED SUBDIVISION (“PROPOSED AMENDMENT”)

“**THAT**, subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, the authorised capital of the Company which is RM200,000,000 divided into 200,000,000 ordinary shares of RM1.00 each be altered by subdividing the 200,000,000 ordinary shares of RM1.00 each into 400,000,000 ordinary shares of RM0.50 each **AND THAT** the existing Clause 6 of the Memorandum of Association and the existing Article 3 of the Articles of Association be amended to read as follows:

(i) Clause 6 of the Memorandum of Association:

The share capital of the Company is RM200,000,000.00 only divided into 400,000,000 ordinary shares of RM0.50 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

(ii) Article 3 of the Articles of Association:

The authorised share capital of the Company is RM200,000,000.00 divided into 400,000,000 ordinary shares of RM0.50 each.”

By Order of the Board

TAY LEE KONG
Company Secretary

Petaling Jaya
10 May 2011

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 at any adjournment thereof.*

PROXY FORM

I/We _____
(name of shareholder as per NRIC, in capital letters)

NRIC No./ID No./Company No. _____ (New) _____ (Old)
of _____
(full address)

being a Member/Members of Paramount Corporation Berhad hereby appoint _____

(name of proxy as per NRIC, in capital letters)
NRIC No. _____ (New) _____ (Old) of _____
(full address)

or failing him/her the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held at Zamrud Room, Ground Floor, The Saujana Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 1 June 2011 at 11:30 a.m., or so soon thereafter as the 41st Annual General Meeting of the Company scheduled for the same day at 10:00 a.m. and 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.

	For	Against
Ordinary resolution 1 - Proposed Bonus Issue		
Ordinary resolution 2 - Proposed Subdivision		
Special resolution 1 - Proposed Amendment		

Dated this _____ day _____ 2011.

CDS ACCOUNT NO.	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 at any adjournment thereof.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
PARAMOUNT CORPORATION BERHAD
Level 8, Uptown 1,
1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here