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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITION OF 12 CONTIGUOUS PARCELS OF FREEHOLD LAND MEASURING IN TOTAL AREA OF APPROXIMATELY 237.2727 ACRES ALL SITUATED WITHIN THE MUKIM OF DENGKIL, DISTRICT OF SEPANG, STATE OF SELANGOR FROM NCT UNITED DEVELOPMENT SDN BHD AT A TOTAL CASH CONSIDERATION OF RM227,383,174.00

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of Extraordinary General Meeting ("EGM") and the Form of Proxy of Paramount Corporation Berhad ("Paramount") are set out in this Circular. The EGM will be held as follows:

Date and time of the EGM	: Wednesday, 25 March 2015 at 10.30 a.m. or at any adjournment
Venue of the EGM	: The Saujana Ballroom, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan
Last date and time for lodging the Form of Proxy	: Monday, 23 March 2015 at 10.30 a.m. or at any adjournment

If you are unable to attend and vote at the EGM, you may appoint a proxy to attend and vote on your behalf. If you wish to do so, you must deposit the Form of Proxy at the registered office of Paramount at Level 8, Uptown 1, 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan by Monday, 23 March 2015 at 10.30 a.m. or in the event the EGM is adjourned, not less than 48 hours before the adjourned EGM.

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

This Circular is dated 10 March 2015

DEFINITIONS

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

“Act”	: Companies Act, 1965
“Board”	: Board of Directors of Paramount
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“Circular”	: This Circular to the shareholders of Paramount dated 10 March 2015
“Conditions Precedent”	: The conditions precedent of the SPA as set out in Section 2.2.2 of this Circular
“Director(s)”	: The directors for the time being of the Company within the context of Section 4 of the Act and Paragraph 10.02(c) of the Listing Requirements
“EGM”	: Extraordinary General Meeting
“EPS”	: Earnings per share
“FYE”	: Financial year ended
“JLW” or “Valuer”	: Messrs Jones Lang Wootton, an independent firm of registered valuers
“Land”	: 12 contiguous parcels of freehold land measuring in total area of approximately 237.2727 acres all situated within the Mukim of Dengkil, District of Sepang, State of Selangor and held under the following documents of title: (i) Geran 162622, Lot 17171; (ii) Geran 162623, Lot 17172; (iii) Geran 162624, Lot 17173; (iv) Geran 162625, Lot 17174; (v) Geran 162626, Lot 17175; (vi) Geran 162627, Lot 17176; (vii) Geran 162633, Lot 17182; (viii) Geran 162635, Lot 17184; (ix) Geran 162636, Lot 17185; (x) Part of Geran 162630, Lot 17179; (xi) Part of Geran 162631, Lot 17180; and (xii) Part of Geran 162634, Lot 17183
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“MBSB”	: Malaysia Building Society Berhad (9417-K)
“LPD”	: 16 February 2015, being the latest practicable date prior to the printing of this Circular
“NA”	: Net assets
“NCT” or “Vendor”	: NCT United Development Sdn Bhd (706212-T)
“Paramount” or “Company”	: Paramount Corporation Berhad (8578-A)
“Paramount Group” or “Group”	: Paramount and its subsidiaries, collectively

DEFINITIONS (Cont'd)

"Paramount Share(s)" or "Share(s)"	: Ordinary share(s) of RM0.50 each in Paramount
"Proposed Acquisition"	: The proposed acquisition of the Land measuring in total area of approximately 237.2727 acres all situated within the Mukim of Dengkil, District of Sepang, state of Selangor at a total cash consideration of RM227,383,174.00
"Purchase Consideration"	: The aggregate cash consideration of RM227,383,174.00 for the Proposed Acquisition
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"SPA"	: The conditional sale and purchase agreement dated 2 January 2015 entered into between our Company and NCT for the Proposed Acquisition
"Valuation Report"	: The valuation report prepared by JLW dated 26 December 2014 to assess the market value of the Land

All references to "you" in this Circular are to the shareholders of Paramount.

All references to "our Company" in this Circular are to Paramount, references to "our Group" are to our Company, our subsidiaries and associated companies collectively, and save where the context requires, shall include our subsidiaries and associated companies.

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

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

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NOTICE OF EGM**ENCLOSED****FORM OF PROXY****ENCLOSED**



(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 March 2015

Board of Directors:

Dato' Md Taib bin Abdul Hamid	<i>(Chairman and Independent Non-Executive Director)</i>
Dato' Teo Chiang Quan	<i>(Executive Deputy Chairman)</i>
Datuk Seri Michael Yam Kong Choy	<i>(Senior Independent Non-Executive Director)</i>
Dato' Haji Azlan bin Hashim	<i>(Independent Non-Executive Director)</i>
Ong Keng Siew	<i>(Independent Non-Executive Director)</i>
Dato' Rohana Tan Sri Mahmood	<i>(Independent Non-Executive Director)</i>
Quah Chek Tin	<i>(Independent Non-Executive Director)</i>

To: Our shareholders

Dear Sir/Madam,

PROPOSED ACQUISITION OF 12 CONTIGUOUS PARCELS OF FREEHOLD LAND MEASURING IN TOTAL AREA OF APPROXIMATELY 237.2727 ACRES ALL SITUATED WITHIN THE MUKIM OF DENGKIL, DISTRICT OF SEPANG, STATE OF SELANGOR AT A TOTAL CASH CONSIDERATION OF RM227,383,174.00

1. INTRODUCTION

On 2 January 2015, our Board announced that our Company had on even date entered into the SPA with NCT for the Proposed Acquisition.

Further details in respect of the Proposed Acquisition are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT DETAILS OF THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL OF THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

Pursuant to the SPA, the Vendor has agreed to sell and Paramount has agreed to purchase the Land free from all encumbrances at a total cash consideration of RM227,383,174.00 upon the terms and conditions contained in the SPA.

2.1 Information on the Land

The Land, comprising 12 parcels of contiguous freehold land measuring in total area of approximately 237.2727 acres, is situated within the Mukim of Dengkil, District of Sepang, State of Selangor. Further details of the Land are as follows:

No.	Land Title	Land Size (acres)	Category of land use	Development component as per the Development Order
i)	Geran 162622, Lot 17171	35.2372	Nil	Commercial, recreational and residential
ii)	Geran 162623, Lot 17172	29.8503	Nil	Commercial, petrol station and private hospital
iii)	Geran 162624, Lot 17173	4.3960	Commercial	Residential
iv)	Geran 162625, Lot 17174	4.9421	Commercial	Residential
v)	Geran 162626, Lot 17175	7.3390	Nil	Residential
vi)	Geran 162627, Lot 17176	8.3324	Nil	Residential
vii)	Geran 162633, Lot 17182	34.57	Nil	Low cost, sewerage treatment plant and industrial
viii)	Geran 162635, Lot 17184	37.0905	Residential	Residential
ix)	Geran 162636, Lot 17185	30.0974	Nil	Residential
x)	Part of Geran 162630, Lot 17179	*23.722	Commercial	Dewan, commercial and mosque
xi)	Part of Geran 162631, Lot 17180		Nil	Residential
xii)	Part of Geran 162634, Lot 17183	*21.6958	Nil	School and residential

*Note: * means estimated area*

The Land forms the undeveloped portions of an on-going mixed development scheme known as Salak Perdana, located at Salak Tinggi, Sepang, Selangor Darul Ehsan that is currently being undertaken by NCT in accordance with the approved master layout plan by Majlis Perbandaran Sepang ("MPS") vide Approved Plan Reference No. Bil: MP Sepang (LT) PS 600-43/5/191 dated 26 September 2013 ("Development Order") in respect of Lot Nos. 17169-17176, 17179, 17180, 17182-17186, 19767-19770, 19729-19766, 19771-19865, 19866-19917 and 19918-19921 all within the Mukim of Dengkil, District of Sepang, State of Selangor.

The Land is situated along Jalan Dengkil-Salak Tinggi, approximately 1.8 km north of Bandar Baru Salak Tinggi, the administrative centre for the District of Sepang, which accommodates the various Government offices, hotels as well as Stadium Bandar Salak Tinggi. Prominent landmarks such as INTI College, Nilai International University College, Tesco and Giant Nilai as well as the Salak Tinggi Express Rail Link (ERL) station are all located within a 13.5-km radius from the Land while the prominent Kota Warisan mixed development scheme is within the vicinity. The Land is accessible from Kuala Lumpur via the Kuala Lumpur-Seremban Highway by exiting at the Nilai Interchange and is also

accessible via the Maju Expressway by exiting at the Putrajaya Link Interchange. Please refer to Appendix III of this Circular for the location map of the Land.

As of to date, the completed developments within Salak Perdana comprise 129 units of 3-storey terraced shop houses, 586 units of double-storey terraced houses, two 5-storey blocks consisting of 164 units of medium cost apartments as well as related utilities such as Tenaga Nasional Berhad sub-stations, sewerage treatment plan, water tanks and retention ponds. The dual-lane carriageway connecting Jalan Dengkil-Salak Tinggi to the inner portions of the Land has been completed, and public amenities such as mains water, electricity supply and telephone lines are available for connection to the Land.

The Land is presently charged to MBSB ("Charge").

2.2 Salient terms and conditions of the SPA

The salient terms and conditions of the SPA, amongst others, are set out as follows:-

2.2.1 The Land shall be acquired on an "as is where is" basis in its current state and condition with vacant possession and free from all encumbrances upon the date of completion of the SPA.

2.2.2 Conditions Precedent

The SPA is conditional upon and subject to the fulfillment of the following conditions within a period of 3 months from the date of the SPA or such extended period as the parties may mutually agree in writing ("Cut-Off Date"):

- a) Paramount having obtained the approval of its shareholders for the Proposed Acquisition at an EGM to be convened;
- b) Paramount having completed its due diligence in respect of the Land and Paramount being reasonably satisfied with the outcome of the due diligence;
- c) the Vendor having delivered to Paramount the redemption statement from its financier as to the amount payable to fully redeem the Land from the Vendor's financier ("Redemption Sum") and a letter of undertaking from its financier undertaking to deliver to Paramount a valid and registrable Discharge of Charge to discharge the Charge as stated in Section 2.1 together with all titles to the Land within 14 days from its receipt of the Redemption Sum and undertaking to refund the Redemption Sum to Paramount in the event the Discharge cannot be registered for any reason whatsoever;
- d) the Vendor having delivered to Paramount all letters of approval, all letters of support and technical correspondences from the relevant authorities, all reports on soil investigation, geotechnical and environmental impact assessments, and all receipts evidencing the payment of the necessary charges and contributions to the relevant authorities in respect of the Land;
- e) the Vendor having paid or procured to be paid in full the fees or charges (including penalties) imposed by the Sepang land office in connection with the surrender and re-alienation of Lot 17179, Lot 17180 and Lot 17183 within the deadline as required by the land office and having delivered to Paramount the relevant receipts and documents evidencing such payment;
- f) the Vendor obtaining the necessary written approvals or waivers from and/or giving the necessary written notification to the relevant authorities as may be required to enable Paramount to continue (in place of the Vendor) without delay or restriction, the development on the Land or any part thereof.

2.2.3 Upon all the Conditions Precedent being fulfilled and/or waived, as the case may be, within the Cut-Off Date, the SPA shall become unconditional on the date on which the last of the Conditions Precedent is fulfilled and/or waived ("Unconditional Date").

2.2.4 Settlement of the Purchase Consideration

The Purchase Consideration shall be satisfied by cash in the following manner:-

(i) Deposit

Paramount has paid the Vendor the sum of RM22,738,317.40 (being 10% of the Purchase Consideration of the Land) ("Deposit") upon the execution of the SPA on 2 January 2015.

(ii) Balance Purchase Consideration

The balance Purchase Consideration amounting to RM204,644,856.60 (being 90% of the Purchase Consideration of the Land) ("Balance Purchase Consideration") shall be paid by Paramount to the Vendor's solicitor as stakeholders within a period of 90 days from the Unconditional Date or the Cut-Off Date, whichever is earlier ("Completion Period") subject to Sections 2.2.5 and 2.2.6 below.

2.2.5 The Vendor had on 23 October 2013 submitted applications to the Sepang land office for the surrender and re-alienation of several parcels of the Land ("S&R Applications"), and pending the issuance of new titles to the lands pursuant to the S&R Applications, the parties to the SPA have agreed that in the event the S&R Applications and the issuance of new titles in respect of Lot 17179, Lot 17180 and Lot 17183 ("Tranche 2 Lands") are not completed on or before the Cut-Off Date, Paramount shall only be obliged to complete the sale and purchase of those parcels marked (i) to (ix) in Section 2.1 above ("Tranche 1 Lands") and to effectuate this intent, Paramount shall pay to the Vendor a sum of RM165,472,549.20 only, representing 90% of the total purchase consideration for the Tranche 1 Lands within the Completion Period, and all the relevant provisions of the SPA shall be amended and construed to apply *mutatis mutandis* to the sale and purchase of the Tranche 1 Lands.

2.2.6 Subject to the completion of the sale and purchase of the Tranche 1 Lands and Paramount becoming the registered owner of the Tranche 1 Lands, the parties to the SPA have agreed that the sale and purchase of the Tranche 2 Lands shall be completed within 30 business days from the date of Paramount's receipt of copies of the new titles to the Tranche 2 Lands and to effectuate this intent, Paramount shall pay to the Vendor the sum of RM39,172,307.40 only, representing 90% of the total purchase consideration for the Tranche 2 Lands and all the relevant provisions of the SPA shall be amended and construed to apply *mutatis mutandis* to the sale and purchase of the Tranche 2 Lands ("Deferred Payment Event").

2.2.7 Subject to the provisions stated in Sections 2.2.5 and 2.2.6 above, and in the event the Balance Purchase Consideration or any part thereof is not paid on or before the expiry of the Completion Period for reasons not attributable to the Vendor, the Vendor shall automatically grant to Paramount an extension of 30 days from the day immediately following the last day of the Completion Period ("Extended Completion Period") to pay the Balance Purchase Consideration with an interest at the rate of 8% per annum calculated on a daily basis based on a three hundred and sixty-five (365) day year on the Balance Purchase Consideration commencing on the first day of the Extended Completion Period and ending on and inclusive of the day on which the outstanding Balance Purchase Consideration is fully paid.

- 2.2.8 In the event all of the Conditions Precedent are not fulfilled on or before the Cut-Off Date, the SPA shall terminate and the Vendor shall refund to Paramount the Deposit within 14 days from the Cut-Off Date, and each party shall return all documents delivered to the other party pursuant to the terms of the SPA and thereafter, the SPA shall be null and void and of no effect whatsoever and neither party shall have any right or claim against the other save for antecedent breaches.
- 2.2.9 In the event of a Deferred Payment Event, the SPA shall be unconditional in respect of (a) the Tranche 1 Lands on the date of which the last of the Conditions Precedent for the Tranche 1 Lands is fulfilled and/or waived; and (b) the Tranche 2 Lands on the date of which the last of the Conditions Precedent for the Tranche 2 Lands is fulfilled or waived accordingly.

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM227,383,174.00, calculated on the basis of RM22.00 per square foot, was arrived at on a 'willing-buyer willing-seller' basis after taking into consideration the following:

- i) the development potential and prospects of the Land given its strategic location;
- ii) the Land comes with a Development Order with all major infrastructure and amenities as stated in the second last paragraph of Section 2.1 being in place; and
- iii) the independent valuation of RM227.0 million on the Land by JLW based on JLW's Valuation Report dated 26 December 2014. The basis of valuation adopted is the Market Value which is defined as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation was carried out using the Comparison Approach and Residual Method, Income Approach of valuation as reported in the Valuation Report. Under the Comparison Approach, comparison is made of the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made. The Residual Method, Income Approach is based on the premise that the price which a purchaser can pay for a property is the surplus after the purchaser has net out the proceeds from the sales of the finished development its full cost of development and profit. Please refer to Appendix I of this Circular for further details of the Land and the salient terms of the Valuation Certificate (which include amongst others, the valuation method used in appraising the market value of the Land).

The Purchase Consideration is subject to adjustment of the land size based on the final measurement of the land area at the same rate as aforesaid.

2.4 Liabilities to be assumed

There are no liabilities including contingent liabilities and guarantees to be assumed by Paramount arising from the Proposed Acquisition.

2.5 Source of funding

The Proposed Acquisition is to be funded via internally generated funds and bank borrowings, the exact quantum of which has yet to be determined at this juncture. The exact mix of internally generated funds and bank borrowings will be decided by our Board at a later stage, after taking into consideration the gearing level of Paramount Group, the interest costs to be incurred, as well as the internal funding requirements for the working capital of our Group.

2.6 Information on the Vendor

NCT, which is principally involved in the business of property development, was incorporated in Malaysia on 12 August 2005 under the Companies Act, 1965. As at the LPD, NCT has an authorised share capital of RM5,000,000.00 divided into 5,000,000 ordinary shares of RM1.00 each, of which 2,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

As at the LPD, the directors and substantial shareholders of NCT and their respective shareholdings in NCT are set out below:

Director	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Sri Yap Ngan Choy	-	-	2,000,000 ⁽¹⁾	100
Yap Fook Choy	-	-	2,000,000 ⁽²⁾	100

Substantial Shareholder	Direct		Indirect	
	No. of shares	%	No. of shares	%
NCT Venture Corporation Sdn Bhd	2,000,000	100	-	-
Dato' Sri Yap Ngan Choy	-	-	2,000,000 ⁽¹⁾	100
Yap Fook Choy	-	-	2,000,000 ⁽²⁾	100

Notes:

- (1) Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his interest in NCT Venture Corporation Sdn Bhd
- (2) Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his interest in NCT Venture Corporation Sdn Bhd

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with Paramount's strategy of replenishing our land bank at locations with strong growth potential and to scale up our property development activities to generate long term sustainable income. The intended type of development on this Land is also in line with Paramount's land acquisition strategy of balancing our land banks to cater to different market environments and demands. With an estimated potential gross development value ("GDV") of RM1.1 billion, the Proposed Acquisition will enable our Group to strengthen our total GDV to approximately RM9.1 billion.

The Proposed Acquisition, which comes with the Development Order for Salak Perdana, will allow our Group to expedite launching and replicate the success of our Group's hallmark gated and guarded landed developments in Kemuning Utama, Shah Alam, Selangor, and in Bukit Banyan and Bandar Laguna Merbok, Sungai Petani, Kedah which have enjoyed strong sales take-up rates since their launches. The details of the Salak Perdana development are as follows:

Type of Development	No. of units	Expected Completion
Residential		
Double-storey terrace houses	253	First quarter of 2018
Double-storey terrace houses	109	Fourth quarter of 2018
Low cost apartments	860	Second quarter of 2019
Double-storey terrace houses	80	Second quarter of 2019
Double-storey terrace houses	158	Third quarter of 2019
Double-storey superlinks	218	First quarter of 2020
Double-storey superlinks	218	First quarter of 2021
Double-storey superlinks	218	First quarter of 2022

Type of Development	No. of units	Expected Completion
Commercial/Industrial		
Shop offices	17	Second quarter of 2020
Low cost shops	34	Second quarter of 2020
Three-storey shop offices	57	First quarter of 2022
Three-storey shop offices	100	First quarter of 2023
Semi-detached factories	24	First quarter of 2024
Total	2,346	

Barring any unforeseen circumstances, the proposed development of the Land by our Group is expected to commence in early 2016 for completion by phases over a development period of eight (8) years ("Proposed Development"). The quantum of the total development cost for the Proposed Development has not been determined at this juncture, pending the finalisation of the detailed revised master layout plan to be submitted to MPS for its approval in the third quarter of 2015. It is also too preliminary to ascertain the expected profits to be derived from the Proposed Development.

4. INDUSTRY OUTLOOK AND PROSPECTS

4.1 Malaysian economic overview

The Malaysian economy registered a stronger-than-expected growth of 6.3% in the first half of 2014. The robust growth was supported by resilient domestic demand and augmented by the strong recovery in exports. Of significance, private sector expenditure expanded 8.4% and contributed 71.4% to the economy. Private investment, in particular, surged 13% to RM78.7 billion during the first half of 2014 with its share to total investment increasing to 68.9%.

The Malaysian economy is expected to sustain its growth momentum in 2015 driven by resilient domestic demand and an improving external sector. Given the better outlook of the global economy and underpinned by the 2015 Budget measures to further support growth and transformation programmes, gross domestic product ("GDP") is expected to expand at a steady pace between 5% and 6% in 2015.

(Source: Economic Report 2014/2015, Ministry of Finance Malaysia)

Based on the special address by the Prime Minister dated 20 January 2015 on the Current Economic Developments and Government's Financial Position, the Government has revised the 2015 GDP forecast of the country to the range of between 4.5% and 5.5%.

(Source: Special address by the Prime Minister dated 20 January 2015 on the Current Economic Developments and Government's Financial Position, Ministry of Finance Malaysia)

4.2 Malaysian property market outlook

The Malaysian real estate segment grew 5.5% during the first six months of 2014 (January - June 2013: 4%) following higher real estate transactions which rebounded by 3.3% to 193,430 (January - June 2013: -13.8%; 187,164) with transaction value recording a double-digit growth of 19% to RM82 billion (January - June 2013: -0.3%; RM69 billion). Despite property prices hovering at a high level, the various cooling measures introduced to curb rising property prices and speculative activities have started to gain traction. This was reflected in the slower increase in residential property prices at 8.1% while transactions fell 2.7% during the first half of 2014 (January - June 2013: 11%; 5.1%).

Growth in the non-residential subsector turned around sharply by 14% (January - June 2013: -1%) in line with healthy business activity during the first half of 2014. This was reflected by increased construction activities especially for commercial buildings with the incoming supply of shops increasing to 72,117 units (January - June 2013: 66,167 units). Industrial building starts grew significantly by 81.6% to 1,580 units (January - June 2013: 73.7%; 870 units),

particularly in Johor, Selangor and Pulau Pinang. National occupancy rate of office buildings remained stable at 83.4% (end-June 2013: 82%) despite an additional 194,798 square metre space.

The residential subsector expanded strongly by 22.1% during the first half of 2014 (January – June 2013: 15.7%) supported by higher growth in incoming supply at 9.5% (January – June 2013: 15.3%). Meanwhile, new housing approvals increased significantly by 32.6% to 96,115 units (January – June 2013: 6.8%; 72,461 units). Despite the decline in housing starts at 5.3% to 70,346 units (January – June 2013: 21.1%; 74,270 units), residential activity is expected to remain stable.

The value of total property transactions increased to RM82 billion (January – June 2013: RM68.8 billion), with volume expanding 3.3% to 193,405 transactions during the first six months of 2014. Residential property transactions formed the bulk with a share of 63.5%. However, the following several cooling measures imposed to curb speculative activity in the property sector, the number of residential property transactions decreased by 2.7% in the first half of 2014 (July – December 2013: 5.1%). During the same period, residential transactions declined in Kuala Lumpur (-4.8%) and Selangor (-2.1%), while Johor and Pulau Pinang registered positive growth of 17.5% and 2.7%, respectively. Meanwhile, the residential overhang declined 11.5% to 12,105 units during the first half of 2014 (January – June 2013: -15.1%; 13,673 units), with a total value of RM4.5 billion (January – June 2013: RM5 billion)

House prices in Malaysia continue to rise, albeit at a slower pace, and several measures to curb rising house prices since 2010. The increase in house prices was driven by strong demand following favourable labour market conditions and growing household income. The Malaysian House Price Index, which measures the change in prices paid for an average house, increased moderately by 6.6% in the second quarter of 2014, compared with 11.3% in the corresponding period in 2013. This was the lowest quarterly rate of increase since the third quarter of 2010. However, higher-than-average prices were recorded in Selangor (10.1%), Pulau Pinang (9.6%) and Kuala Lumpur (9.1%). The highest price increase was recorded for terrace houses, which grew 8.2% followed by high-rise units (7.9%), detached (2.5%) and semi-detached (2.4%) houses.

The residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. Demand for affordable housing will remain favourable amid several Malaysian governments' initiatives such as 1Malaysia Housing Programme (PR1MA), Rumah Idaman Rakyat and Rumah Mesra Rakyat. The non-residential subsector is also expected to remain stable supported by encouraging demand for industrial and commercial buildings.

(Source: Economic Report 2014/2015, Ministry of Finance Malaysia)

4.3 Prospects of the Land

In view of the proximity of Salak Tinggi to Kuala Lumpur International Airport ("KLIA"), Putrajaya, Cyberjaya and Nilai, and the development of the Mass Rapid Transit Sungai Buloh – Serdang – Putrajaya line, development lands in this locality have tremendous potential. With the continuing growth of the population, demand for residential and supporting commercial properties in this locality is on an upward trend. Additionally, the subject property is also close to Nilai town, which is becoming a sought after location for educational facilities.

(Source: Valuation Report on the Land dated 26 December 2014 by JLW)

Given its location of only 1.8 km from Bandar Salak Tinggi and about 20 km from KLIA, the Land has access to the catchment of people who are currently working at the two terminals and the various public and private establishments in Salak Tinggi. Furthermore, Salak Tinggi is expected to see a rise in its population after the opening of Xiamen University Malaysia's 150-acre campus at Bandar Kota Warisan, Salak Tinggi in 2015. This university campus, which is expected to draw 10,000 local and foreign students, will be a catalyst to attract new migrants to Salak Tinggi. In addition, commercial developments within the vicinity, such as Mitsui Outlets Park and Kuala Lumpur International Outlet, which are expected to commence

operations in 2015 and 2016 respectively, will add value to the property market in Salak Tinggi.

Apart from the local catchment, the Land has the potential of attracting the larger market of property buyers from the Klang Valley who are interested in landed properties priced within an affordable range given that the traveling time from the Land to Kuala Lumpur Sentral via the ERL is merely 30 minutes. In addition, the proposed interchanges at Ampar Tenang, Dengkil and at Southville City, Bangi will further enhance the connectivity of the Land to the major highways that are leading to Kuala Lumpur and the other parts of Klang Valley.

In view of the above, Paramount is of the opinion that the Land has high growth potential and will contribute positively to the future earnings of our Group.

5. RISK FACTORS

a) Business and oversupply of properties

The Proposed Development of the Land is subject to risks inherent to the property development business of which our Group is already involved in. Such risks may include oversupply of properties in the surrounding areas of the Land, changes in demand for the types of residential and commercial properties, fluctuation in material prices and labour costs as well as changes in government policies such as financial and fiscal policies that could affect the purchasing power and buying sentiments of property buyers. In addition, the timely commencement and completion of the Proposed Development will be dependent on external factors that may be beyond the control of our Group such as the timely approval of plans submitted to the relevant authorities and shortage of labour and material supplies, resulting in the risk of delay in the commencement and completion of the Proposed Development.

Our Group seeks to limit these risks by conducting thorough market research, implementing prudent business strategies, continuously improving operational efficiency and reviewing our pricing strategy to ensure that our properties are competitively priced.

b) Delay in completion

The completion of the Proposed Acquisition is subject to amongst others the fulfilment of the Conditions Precedent, the details of which are set out in Section 2.2.2 of this Circular. In the event the Conditions Precedent are not met, the Proposed Acquisition may not be completed which may result in the failure of the Group to achieve the objectives and benefits of the Proposed Acquisition. In the event that the Proposed Acquisition will not be completed due to non-fulfilment of any of the Conditions Precedent, the Deposit will be refunded by the Vendor as per the terms set out in the SPA.

c) Financing

Our Group intends to finance the Purchase Consideration through a combination of internally generated funds and bank borrowings. As such, our Group is subject to the risk of fluctuation in interest rates, should bank borrowings be taken up to finance the Purchase Consideration. Further, taking additional borrowings would expose the Group to debt servicing risks. While any utilisation of internal funds is expected to result in reduction of funds available for working capital purposes which may have an adverse effect on the Group's cash flow position.

In mitigating this risk, our Group will endeavour to seek external financing with terms acceptable to our Group and constantly monitor interest rate movement as well as manage our Group's overall capital structure.

d) Political and Economic

The property industry in general is affected by adverse developments in political, economic and regulatory conditions in Malaysia and there is no assurance that any such developments may not have an adverse effect on the financial prospects of property developers in Malaysia including our Group. Political and economic uncertainties include but are not limited to, changes in credit conditions, changes in labour laws, availability of labour, a switch in political

leadership and/or changes in government's policies on interest rates, methods of taxation and licencing regulations. Furthermore, the introduction of Goods and Services Tax ("GST") which comes into effect on 1 April 2015 may have an adverse effect on the demand for properties. These factors affect all players in the property industry and are generally beyond our control.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholdings in Paramount as the Purchase Consideration will be fully satisfied in cash.

6.2 Earnings and EPS

The Proposed Acquisition is not expected to have any material effect on the earnings and EPS of the Group for the financial year ending 31 December 2015 as the Proposed Development of the Land is expected to commence only in early 2016. Nevertheless the Proposed Acquisition is expected to contribute positively to the earnings and EPS of our Company in the future financial years when the Land is developed.

6.3 NA and Gearing

The Proposed Acquisition is not expected to have a material effect on the consolidated NA per share of our Group for the financial year ended 31 December 2014.

The proforma effect on the consolidated gearing of our Group can only be determined upon finalisation of the funding plan for the Proposed Acquisition.

Based on the audited consolidated balance sheet of our Group as at 31 December 2013 and subsequent adjustment after our Company's rights issue of 84,452,864 new Shares at an issue price of RM1.10 per share made on 6 August 2014 ("Rights Issue") and on the assumption that the Proposed Acquisition was effected as at 31 December 2013, the proforma effects of the Proposed Acquisition on our Group's consolidated NA, NA per share and gearing are set out below:-

	Audited as at 31 December 2013	Proforma I After the Rights Issue	Proforma II After the Rights Issue and the Proposed Acquisition
	RM'000	RM'000	RM'000
Share capital	168,906	211,132	211,132
Reserves	558,192	606,934	606,434
Shareholders' funds / NA	727,098	818,066	817,566
No. of Shares in issue ('000) *	337,812	422,265	422,265
NA per Share (RM)	2.15	1.94	1.94
Total borrowings	317,746	277,746	504,746
Gearing ratio (times)	0.44	0.34	0.62

Notes:-

Proforma I involved the Rights Issue and after taking into account the estimated expenses of RM1.93 million and a repayment of bank borrowings of RM40.00 million from the proceeds of the Rights Issue.

(1) After deducting estimated expenses incurred in relation to the Proposed Acquisition of approximately RM500,000.

(2) Assuming 100% of the Purchase Consideration of approximately RM227 million is funded by bank borrowings.

7. APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is subject to the approvals being obtained from the following:-

- (a) shareholders of Paramount at an EGM to be convened; and
- (b) the approval of any other authorities, if required.

The Proposed Acquisition is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, major shareholders and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Acquisition.

9. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSED ACQUISITION

Barring any unforeseen circumstances and subject to the fulfilment of all the Conditions Precedent as set out in the SPA, our Board expects the Proposed Acquisition to be completed by early July 2015.

The tentative timeline for the implementation of the Proposed Acquisition is as follows:-

Tentative timeline	Key Milestones
End March 2015	EGM to obtain the approval of the shareholders of Paramount for the Proposed Acquisition.
Early April 2015	Fulfilment of all Conditions Precedent in the SPA within three months from the date of the SPA.
Early July 2015	Completion period of the Proposed Acquisition or no later than 90 days from the Unconditional Date or the Cut-Off Date, whichever is earlier.

Note:-

The tentative timeline is for illustration purposes only based on 2 January 2015, being the date of the SPA, and may be mutually extended by both parties, subject to the terms of the SPA.

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition, our Company does not have any other outstanding corporate proposals which has been announced but not yet completed as at the LPD.

11. DIRECTORS' RECOMMENDATION

Our Board, after having considered all the relevant aspects, including the market value of the Land as appraised by JLW, terms of the SPA, and the rationale for the Proposed Acquisition, is of the opinion that the terms and conditions of the SPA are fair and reasonable and the Proposed Acquisition is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Acquisition to be tabled at our EGM.

12. EGM

The EGM, notice of which is enclosed in this Circular, will be held at The Saujana Ballroom, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 March 2015 at 10.30 a.m. for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Acquisition.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein and deposit at the registered office of our 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 stipulated for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
PARAMOUNT CORPORATION BERHAD

Dato' Md Taib bin Abdul Hamid
Chairman

VALUATION CERTIFICATE



Jones Lang Wootton

Proprietor: Singham Sulaiman Sdn. Bhd. (78217-X)

Chartered Surveyors
International Property Consultants
Registered Valuers
Property Managers
Real Estate Agents

8th Floor
Bangunan Getah Asli (Menara)
148 Jalan Ampang,
50450 Kuala Lumpur

Tel: (03) 2161 2522
Fax: (03) 2161 8060
Email: joneslang@jlwmalaysia.com
www.jlwmalaysia.com

Firm Reg. No. VE12 0075

Our Ref.: V/PC-(C)/020/14/SC

Date: 26th December 2014

PARAMOUNT CORPORATION BERHAD

Level 8, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

VALUATION OF TWELVE (12) PARCELS OF DEVELOPMENT LAND IDENTIFIED AS LOTS 17171 TO 17176, 17182, 17184, 17185 AND PARTS OF PARENT LOTS 17179, 17180 & 17183, ALL WITHIN MUKIM OF DENGKIL DISTRICT OF SEPANG, SELANGOR DARUL EHSAN ("SUBJECT PROPERTY")

This valuation certificate has been prepared for the purposes of submission to the Bursa Malaysia Securities Berhad in relation to the proposed acquisition of the subject property and for the exclusive use of Paramount Corporation Berhad.

We, hereby confirm that we have valued, in accordance with the instruction from Paramount Corporation Berhad, the abovementioned property vide our Report and Valuation bearing Reference No. V/PC-(C)/020/14/SC dated 26th December 2014 for purposes of submission to Bursa Malaysia Securities Berhad. The relevant date of valuation of the subject property is 26th December 2014.

The Report and Valuation has been prepared based on the "Asset Valuation Guidelines" issued by the Securities Commission Malaysia and the Malaysia Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Details of the subject property as extracted from our Report and Valuation bearing Reference No. V/PC-(C)/020/14/SC dated 26th December 2014 is as follows:-

1. Property Description

The subject of this valuation comprises the interest in perpetuity in twelve (12) parcels of development land identified as Lots 17171 to 17176, 17182, 17184, 17185 and parts of Parent Lots 17179, 17180 & 17183, all of which form the undeveloped portions of a mixed development scheme known as Salak Perdana, and within a locality known as Salak Tinggi, Sepang, Selangor Darul Ehsan.

Parts of Lots 17179 & 17180 have been erected with 180 units of double storey terraced houses whilst part of Lot 17183 accommodates 164 units medium-cost apartments and 218 units of double storey terraced houses.

2. Location

The subject property falls within the jurisdiction of Sepang Municipal Council and forms part of Salak Perdana (formerly known as Taman Kenanga). It is sited along the left side of Jalan Dengkil - Salak Tinggi, travelling from Salak Tinggi towards Dengkil town. It is located approximately 45 kilometres due south of Kuala Lumpur city centre whilst Putrajaya, the Federal Government Administration Centre is located about 21 kilometres due north-west of this scheme.

The completed developments within Salak Perdana include three storey and four and a half storey terraced shopoffices, double storey terraced houses of various types, low and medium cost apartments as well as some of the utility services for the scheme including the main dual lane dual carriageways, two water tanks, sub-stations, retention ponds and a sewerage treatment plant.

The Kuala Lumpur International Airport (KLIA) and Kuala Lumpur International Airport 2 (KLIA 2) are situated about 20 kilometres and 22 kilometres due south-west of Salak Perdana respectively.

3. Site

The subject property comprise twelve (12) parcels of development land, forming the undeveloped portions of Salak Perdana and having a combined gross land area of about 96.021 hectares (237.2727 acres).

The land areas of the component lots forming the subject property as per the title particulars with the exception of the land areas adopted in respect of Parts of Parent Lots 17179, 17180 & 17183 as based on the information furnished to us by the client are tabulated as follows:-

Parcel No.	Lot No.	Land Area		Remarks
		Hectare	Acre	
A	17171 and 17172	26.340	65.087	- almost rectangular/regular in shape - generally flat and undulating in terrain
B	17173 to 17176	10.121	25.01	
C	Part of Parent Lots 17179 and 17180	9.600	23.7220	
D	17182	13.990	34.5700	
E	Part of Parent Lot 17183	8.780	21.6958	
F	17184 and 17185	27.19	67.188	
	Total	96.021	237.2727	

The subject property generally fronts onto several completed metalled roads within Salak Perdana.

4. Title Particulars

Details of the titles particulars based on official title searches conducted at the Selangor Darul Ehsan Land Registry on 24th December 2014 are as follows:-

Lot No.	Title No.	Land Area	Category of Land Use
17171	GRN 162622	14.26 hectares	Nil
17172	GRN 162623	12.08 hectares	Nil
17173	GRN 162624	1.779 hectares	"Bangunan"
17174	GRN 162625	2 hectares	"Bangunan"
17175	GRN 162626	2.97 hectares	Nil
17176	GRN 162627	3.372 hectares	Nil
17179	GRN 162630	5.277 hectares	"Bangunan"
17180	GRN 162631	8.749 hectares	Nil
17182	GRN 162633	13.99 hectares	Nil
17183	GRN 162634	15.2 hectares	Nil
17184	GRN 162635	15.01 hectares	"Bangunan"
17185	GRN 162636	12.18 hectares	Nil

All within Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan.

Other common details of the titles are as follows:-

Tenure: Interest in perpetuity.

Registered Proprietor: NCT United Development Sdn Bhd.

Endorsements: Applications have been made for Lots 17171, 17172, 17173, 17174, 17175, 17176, 17179, 17180, 17182 and 17183 to be surrendered and realienated, registered on 12th September 2012 and 9th September 2014.

Note:

We were given to understand by the client that individual titles in respect of the completed development components as well as the undeveloped development components in respect of Lots 17179, 17180 and 17183 are yet to be issued. As such, the gross land areas in respect of the undeveloped portions of Lots 17179, 17180 and 17183 are based on the details as provided to us by the client, which are as follows:

Lot No.	Land Area	
	Hectares	Acre
Part of Parent Lot 17179	9.60	23.722
Part of Parent Lot 17180		
Part of Parent Lot 17183	8.780	21.6958

Based on the undertaking provided by Paramount Corporation Berhad, our valuation is on the basis that individual titles in respect of the undeveloped portions of lots 17179, 17180 & 17183 will be issued within a reasonable period of time with all charges imposed by the relevant authorities paid in connection with the subdivision paid and there are no liabilities attached to the issuance of the titles and vacant possession.

In arriving at our opinion of value, we have adopted the total gross land area of about 96.021 hectares (237.2727 acres).



5. Planning Details

Our verbal enquiries with the Planning Department of Sepang Municipal Council revealed that the subject property is located within an area designated for mixed development use.

From a photocopy of the letter issued by Jabatan Perancangan Bandar, Majlis Perbandaran Sepang bearing Reference No. MP.SEPANG 600-43/5/191 (14) dated 21st January 2014, we noted that development approval has been granted subject to the conditions stated therein. The above approval is in accordance to the approved Master Layout Plan bearing Approved Plan Reference No. Bil.: MP.SEPANG (LT) PS 600-43/5/191 dated 26th September 2013 as prepared by Juruasli Planning & Consultancy under Drawing No. JPC/P11/266/SEL-SPG/L04.

The approved development components of the subject property are tabulated as follows:-

Parcel No.	Development Component	No. Of Units
A	Commercial plot	2
	Private Hospital	1
	Petrol Station	2
	2-storey terraced houses	238
	Public Kindergarten	1
	<i>Rumah Ibadat Bukan Islam Awam</i>	1
B	2-storey terraced houses	266
C	2-storey terraced houses	96
	2-storey shopoffices/affordable shops	
	- Ground Floor Shop	17
	- First Floor (affordable shops)	34
	- Police Station	1
	<i>Pusat Komuniti/Dewan (Awam)</i>	1
D	<i>Masjid Awam</i>	1
	Semi-detached factory (60' x 157')	24
E & F	Low cost apartment	860
	Detached houses (100' x 60')	100
	Semi-detached houses (60' x 60')	198
	Clubhouse	1
	<i>Sekolah Menengah Awam</i>	1

6. Method of Valuation

Comparison Approach

Comparison is made of the property under valuation with sales of other similar properties. Where dissimilarities exist, adjustments are made.

Details of the sale comparables (as obtained from Bursa Securities and Jabatan Penilaian dan Perkhidmatan Harta) and the computation by using the Comparison Approach is tabulated as follows:-

Property Details	Comparable 1	Comparable 2	Comparable 3
Property:	Six (6) parcels of development land	A parcel of development land	Four (4) parcels of development land
Location:	Located due east of Desa Pinggiran Putra.	Located along Pintasan Dengkil Bypass, Sepang.	Located at Bandar Baru Salak Tinggi (near Salak Tinggi ERL Station).
Legal Description:	Lots 1910, 1911, 2378 & 3625, Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan and Lots 3479 & 5590, Mukim of Kajang, District of Ulu Langat, Selangor Darul Ehsan	Lot 6984, Mukim of Dengkil, District of Sepang, District of Petaling, Selangor Darul Ehsan	Lot 46266, 46267, 817 & 818, all within Bandar Baru Salak Tinggi, District of Sepang, Selangor Darul Ehsan
Land Area:	63.037 acres	191.763 acres	132.276 acres
Town Planning:	Zoned for mixed development use. No submission for development as at the date of transaction.	Zoned for mixed development use. Application for surrender and reallienation together with planning approval has been approved by Majlis Perbandaran Sepang on May 2013.	Zoned for mixed development use. No submission for development as at the date of transaction.
Tenure:	Interest in perpetuity	Leasehold, expiring on 30th December 2058 (unexpired term of about 46 years)	Leasehold, expiring on 1st September 2095 (unexpired term of about 83 years)
Date of Transaction:	19-Jun-14	01-Jun-12	09-Jul-12
Consideration:	RM38,191,800.64	RM66,821,040.00	RM56,177,000.00
Vendor:	Jenderam Property Sdn Bhd	Lee Chin Cheng Dengkil Oil Palm Plantations Sdn Bhd	Koperasi Serbaguna Anak-Anak Selangor Berhad
Purchaser:	OIB Properties (PRV) Sdn Bhd (a wholly owned subsidiary of Oriental Interest Berhad)	Magical Sterling Sdn Bhd	Speed Modulation Sdn Bhd
Source of Information:	Bursa Malaysia & JPPH	JPPH	JPPH
PSF Analysis:	RM13.91 psf	RM8.00 psf	RM9.75 psf
Adjustment Consideration:	In arriving at the adjusted value of the subject property from the sale comparables, we have taken into consideration the time factor (market condition since 2012), planning approval, location, size, shape and tenure (subject property conveys interest in perpetuity). In addition to the above, we have also taken cognizance that the subject property has an approved layout plan for mixed residential and commercial developments, a reduced low cost housing provision, and that the main infrastructure works within the scheme (Salak Perdana) such as the main dual lane dual carriageway (including major drains), water tanks, retention ponds and some of the electrical sub-stations have been completed, thus rendering the subject property ready for development.		
Adjusted Land Value:	RM22.59 psf	RM22.00 psf	RM22.02 psf
In arriving at the Market Value of the subject property, we have relied on Comparables 2 and 3 and adopted RM22.00 per square foot due to its similarity in size and close proximity to the subject property. Market Value derived based on Comparison Approach is RM227,000,000.			

Residual Method, Income Approach

The **Residual Method** which is based on the premise that the price which a purchaser can pay for a property is the surplus after he has met out of the proceeds from the sales of the finished development his full cost of development and profit.

A summary detail of the computation using Residual Method based on two scenarios i.e. Scenario I - Conventional Terraced Housing and Gated & Guarded Semi-Detached & Detached Houses and Scenario II - Fully gated and guarded housing development are tabulated as follows:-

We have undertaken the Residual Method based on the following scenarios:-

- Scenario I – The terraced houses are developed as conventional housing i.e. non gated & guarded whilst the semi-detached and detached houses will be on gated & guarded (as per the approved master layout plan).
- Scenario II – All the residential components will be developed as gated & guarded development with higher selling pricing and with some types of developments having larger built-up areas and better finishes to reflect its exclusivity as fully gated & guarded.

The proposed developments of the residual method are as follow:-

Development Component	Land Area (Square Feet)	Scenario I	Scenario II	No. of Unit
		Built-up Area (Square Feet)	Built-up Area (Square Feet)	
2-storey terraced house	1,400 - 1,680	1,600 – 2,200	1,600 – 2,200	724
2-storey detached house	6,000	4,500	5,500	100
2-storey semi-detached house	3,600	2,800	3,500	198
2-storey stratified terraced shophouses/ affordable shops		1,260 and 1,400	1,260 and 1,400	51
Low Cost Apartment	-	650	650	860
Commercial Plots	867,715	-	-	2
Private Hospital	132,858	-	-	1
Petrol Station Sites	144,619	-	-	2

Summary of Parameters

	Scenario I	Scenario II
Total Gross Development Value (Note 1) :	RM821,265,758	RM965,287,183
Total Gross Development Cost (Note 2) :	RM543,958,946	RM645,484,648
Developer' Profit :	15% of Gross Development Value	
No. of Phase(s) :	5 Phases	
Total Development Period (Note 2) :	6.5 years	
Present Value Factor :	6.5%	

Note 1: In arriving at the Gross Development Value (GDV) of the proposed developments, we have taken cognizance the transacted sales price (as obtained from Jabatan Penilaian dan Perkhidmatan Harta and the asking prices) of similar type of properties in the locality. The sale prices adopted for the proposed developments (standard types) and the transacted price range of comparable component developments are tabulated as follows:-



Development Component	Price per Unit		
	Scenario I	Scenario II	Transacted price range of comparables
2-storey terraced house	RM390,000 – RM560,000	RM440,000 – RM660,000	RM380,000 – RM570,000
2-storey detached house (100' x 60')	RM1,800,000	RM2,200,000	RM1,380,000 – RM1,450,000
2-storey semi-detached house (60' x 70')	RM900,000	RM1,120,000	RM600,000 – RM899,000
Low Cost (based on the regulated price)	RM42,000	RM42,000	-
2-storey terraced shophouses/ affordable shops			
- Ground Floor	RM441,000	RM441,000	RM300,000 – RM312,345
- 1st Floor	RM168,000	RM168,000	
Commercial Plots	RM45 psf - RM55 psf	RM45 psf - RM55 psf	RM32.29 psf – RM51.22 psf
Private Hospital	RM60 psf	RM60 psf	
Petrol Station Sites	RM60 psf	RM60 psf	RM72.97 psf – RM92.00 psf

Bumiputera quota & discount rate are based on those regulated by the authorities.

Note 2: Infrastructure cost: Landed property – RM20,000 per unit
Low cost – RM3,000 per unit

Construction cost:

Development Component	Scenario I	Scenario II
2-storey terraced house	RM70 psf	RM85 psf and RM90 psf
2-storey terraced house (Superlink)	RM80 psf	RM105 psf
2-storey detached house	RM150 psf	RM150 psf
2-storey semi-detached house	RM120 psf	RM120 psf
2-storey terraced shophouses/ affordable shops	RM60 psf	RM60 psf
Clubhouse	RM200 psf	RM200 psf
Low cost apartment	RM50 psf	RM50 psf

Justification to arrive at the parameters adopted in Gross Development Cost:

Construction and Infrastructure costs:	In arriving at the infrastructure and building cost, we have benchmarked against the cost based on our check with contractors and quantity surveyors.
Professional Fees:	The professional fee of 5% of construction cost and 2.5% of infrastructure cost adopted, is in-line with market rates.
Developer's Profit:	Based on our enquiries, a 15% return on GDV is an acceptable return by developers for undertaking housing projects.
Marketing & Selling Expenses:	The rate adopted is based on our discussion with developers, who normally allocate about 2.5% of the GDV for expenses to include advertising, promotion materials and legal fees.
Interest Charge:	The interest rate of 6.5% adopted is based on enquiries with financial institutional on the rates applicable for bridging finance.
Discount Rate:	The discount rate of 6.5% adopted reflects the return on risk to the development. In this instance, the current borrowing rate is adopted.

We have adopted a development period of 2.5 years to 6.5 years, taking into consideration that time frame to obtain building plan approvals as well as sales and construction period.

The Market Value as per Residual Method of Valuation based on two scenarios are as follow:-

Scenario I –	Conventional Terraced Housing and Gated & Guarded Semi-Detached & Detached Houses	RM204,000,000.
Scenario II –	Fully Gated and Guarded Housing Development	RM235,000,000.

7. Reconciliation of Value

We have used the Comparison Approach and Residual Method, Income Approach of valuation to arrive at the Market Value of the subject property:-

Methodology	Market Value
Comparison Approach	RM227,000,000
<u>Residual Method, Income Approach:</u>	
Scenario I - Conventional Terraced Housing and Gated & Guarded Semi-Detached & Detached Houses	RM204,000,000
Scenario II - Fully Gated and Guarded Housing Development	RM235,000,000


In arriving at the Market Value of the subject property, we have relied on the Comparison Approach whilst the Residual Method is used as a check as there are adequate comparables which can be relied upon in arriving at the market value of the subject property.

8. Opinion of Value

Having regard to the foregoing, our opinion of the Market Value of the interest in perpetuity in the subject property comprising twelve (12) parcels of development land identified as Lots 17171 to 17176, 17182, 17184, 17185 and Parts of Parent Lots 17179, 17180 & 17183, all within Mukim of Dengkil, District of Sepang, Selangor Darul having a total land area of about 96.021 hectares (237.2727 acres) which form the undeveloped portions of Salak Perdana, Sepang, Selangor Darul Ehsan, with the benefit of vacant possession and subject to the titles and forthcoming titles in respect of Parts of Parent Lots 17179, 17180 & 17183 being free of all encumbrances, good, marketable and registrable is **RM227,000,000 (Ringgit Malaysia: Two Hundred And Twenty Seven Million Only).**

We would also like to confirm further that there are no further pertinent factors which may affect the value of the subject property and the contents of this Valuation Certificate are in compliance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia.

Yours faithfully
 For and on behalf of
JONES LANG WOOTTON



RADHAKRISHNAN
REGISTERED VALUER, V-564
EXECUTIVE DIRECTOR

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

The information on the Vendor in this Circular was extracted from publicly available documents and/or provided by the management of the Vendor. The responsibility of our Board with respect to such information is limited to ensuring that such information has been accurately reproduced in this Circular.

2. CONSENT

JLW, being the independent valuer for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and the valuation certificate of its name and all references thereto, in the form and context in which they appear.

3. CONFLICT OF INTERESTS

JLW confirms that there is no conflict of interest which exists or is likely to exist in its capacity as the independent valuer for the Land.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and/or involves the Land, and our Board is not aware of any proceedings, pending or threatened, against our Group or of any facts likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of our Group.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**5.1 Material commitments**

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by our Group:

	Unaudited as at LPD RM'000
Investment properties	
Authorised and contracted for	52,357
Authorised and not contracted for	12,359
	<u>64,716</u>
Land held for property development	
Authorised and contracted for	215,280
Authorised and not contracted for	24,185
	<u>239,465</u>

5.2 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which upon becoming enforceable, may have a material impact on the profits or NA of our Group.

6. MATERIAL CONTRACTS

Save as disclosed below, our Board confirms that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years immediately preceding the date of issuance of this Circular:

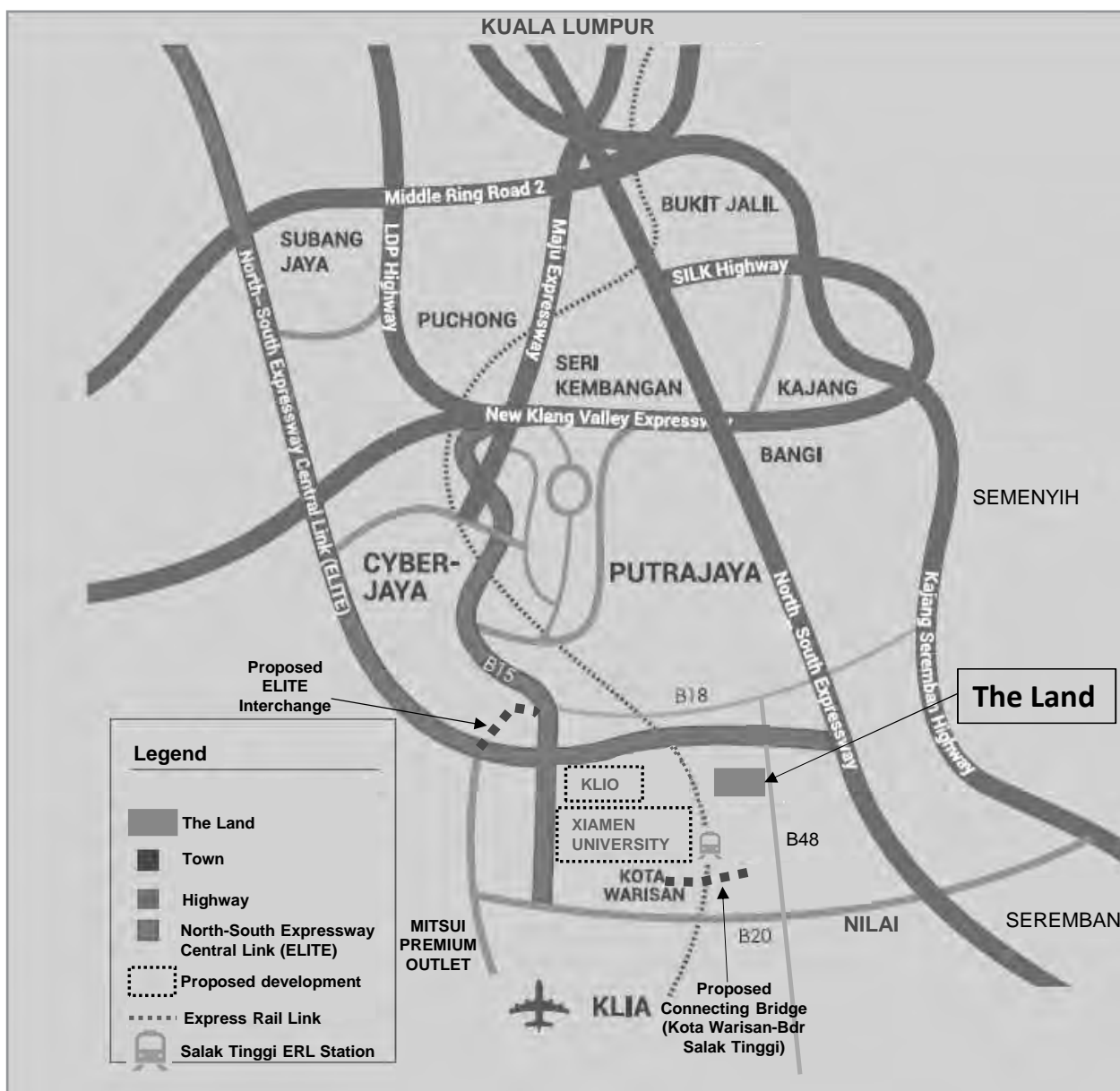
- (i) the Purchase and Development Agreement dated 25 March 2014 entered into between our Company with Penang Development Corporation for (a) the purchase by our Company of two (2) parcels of land known individually as the university college land measuring approximately 10.4004 acres and the mixed development land measuring approximately 20.3103 acres and both pieces measuring approximately 30 acres in aggregate, situated in Batu Kawan and (b) the Company undertaking and completing the development and operation of a university college which shall consist of approximately 150,000 square feet ("sq ft") of built up area; and (ii) a mixed development consisting of serviced apartments, retail and office facilities with a total minimum built up area of approximately 500,000 sq ft for a cash consideration of RM67,007,594.40; and
- (ii) the Underwriting Agreement dated 24 June 2014 entered into between our Company and Hong Leong Investment Bank Berhad in relation to our Company's Rights Issue.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents 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 Monday to Friday (except for public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) Memorandum and Articles of Association of our Company;
- (ii) Audited consolidated financial statements of our Company for the financial years ended 31 December 2012 and 31 December 2013 and the latest unaudited financial statements of our Group for the financial year ended 31 December 2014;
- (iii) The Valuation Certificate by JLW dated 26 December 2014 on the valuation of the Land as set out in Appendix I of this Circular, together with the Valuation Report;
- (iv) The letter of consent and declaration of conflict of interests referred to in Sections 2 and 3 of this Appendix;
- (v) The material contracts referred to in Section 6 of this Appendix; and
- (vi) The SPA dated 2 January 2015.

LOCATION MAP OF THE LAND





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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of Paramount Corporation Berhad ("**Paramount**" or "**Company**") will be held at The Saujana Ballroom, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 March 2015 at 10.30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution set out below:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF 12 CONTIGUOUS PARCELS OF FREEHOLD LAND MEASURING IN TOTAL AREA OF APPROXIMATELY 237.2727 ACRES ALL SITUATED WITHIN THE MUKIM OF DENGKIL, DISTRICT OF SEPANG, STATE OF SELANGOR AT A TOTAL CASH CONSIDERATION OF RM227,383,174.00

"**THAT**, subject to and conditional upon the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given for the Company to acquire all the 12 contiguous parcels of freehold land measuring in total area of approximately 237.2727 acres and held under title Geran 162622, Lot 17171, Geran 162623, Lot 17172, Geran 162624, Lot 17173, Geran 162625, Lot 17174, Geran 162626, Lot 17175, Geran 162627, Lot 17176, Geran 162633, Lot 17182, Geran 162635, Lot 17184, Geran 162636, Lot 17185, part of Geran 162630, Lot 17179, part of Geran 162631, Lot 17180 and part of Geran 162634, Lot 17183 all situated within the Mukim of Dengkil, District of Sepang, State of Selangor from NCT United Development Sdn Bhd (Company No. 706212-T) at a total cash consideration of RM227,383,174.00 subject to adjustment based on the final measurement of the total land area and upon the terms and conditions set out in the sale and purchase agreement dated 2 January 2015 ("**SPA**") entered into between the Company and NCT United Development Sdn Bhd ("**Proposed Acquisition**");

AND THAT the Board of Directors of the Company be and is hereby authorised to give full effect to the Proposed Acquisition with full powers to assent to any terms, conditions, modifications, variations and/or amendments to the SPA in any manner as may be required by the relevant authorities or as the Board of Directors of the Company may deem necessary or expedient in the best interest of the Company and to do all acts, deeds and things and to execute, sign and deliver for and on behalf of the Company all such documents as may be necessary and/or expedient in connection with the Proposed Acquisition."

BY ORDER OF THE BOARD

Tay Lee Kong (MAICSA 772833)
Ng Wai Peng (MAICSA 7014112)
Company Secretaries

Petaling Jaya
Selangor Darul Ehsan
10 March 2015

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. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds shares in the Company for multiple beneficial owners in one securities account (**omnibus account**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. The Form of Proxy 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.
4. The Form of Proxy 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 48 hours before the time appointed for holding the meeting or any adjournment thereof.

FORM OF PROXY

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

NRIC No./ID No./Company No. _____ (New) _____ (Old)

of _____
(full address)

being a Member of Paramount Corporation Berhad ("**the Company**") 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 The Saujana Ballroom, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 March 2015, at 10.30 a.m., and at any adjournment thereof.

I/We direct my/our proxy to vote (see Note 4) for or against the resolution to be proposed at the meeting as hereunder indicated.

	For	Against
Ordinary Resolution : Proposed Acquisition		

Dated this _____ day _____ 2015.

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. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds shares in the Company for multiple beneficial owners in one securities account (**omnibus account**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. The Form of Proxy 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.
4. Please indicate with an "X" in the appropriate box against the resolution how you wish your proxy to vote. If this Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. The Form of Proxy 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 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 March 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.



Fold this flap for sealing

AFFIX
STAMP

The Company Secretary
Paramount Corporation Berhad
Level 8, Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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