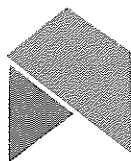


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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



PARAMOUNT CORPORATION BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED DISPOSAL OF 2,000,000 ORDINARY SHARES OF RM1.00 EACH REPRESENTING THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WANGSA MERDU SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM38,222,808

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Prepared by



COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No. 18417-M)

Notice of the Extraordinary General Meeting of Paramount Corporation Berhad to be held at Bilik Kuliah, 11th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur on Tuesday, 8 July 1997 at 10.30 a.m. is set out in this Circular.

A Form of Proxy is enclosed which you are urged to complete and deposit at the registered office of the Company at 39th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur not less than 48 hours before the time fixed for holding the meeting as set out below. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently find that you are able to do so.

Date and time of Extraordinary General Meeting Tuesday, 8 July 1997 at 10.30 a.m.

This Circular is dated 23 June 1997

DEFINITIONS

In this Circular, unless the context otherwise requires, the following abbreviations/definitions shall apply throughout this Circular:-

“Board of PCB”	- Board of Directors of PCB
“CIMB”	- Commerce International Merchant Bankers Berhad (Company No. 18417-M)
“EGM”	- Extraordinary General Meeting
“FIC”	- Foreign Investment Committee
“MPSB” or “Purchaser”	- Mulpha Pacific Sdn. Bhd. (Company No. 114289-T)
“NTA”	- Net Tangible Assets
“PCB” or “Company”	- Paramount Corporation Berhad (Company No. 8578-A)
“PCB Group”	- PCB and its subsidiaries
“Proposed Disposal”	- The proposed disposal of 2,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of WMSB to MPSB for a total cash consideration of RM38,222,808
“RM” and “sen”	- Ringgit Malaysia and sen respectively
“Share Purchase Consideration”	- The cash consideration of RM38,222,808 for the purchase of the entire issued and paid-up share capital of WMSB comprising 2,000,000 ordinary shares of RM1.00 each of WMSB
“WMSB”	- Wangsa Merdu Sdn. Bhd. (Company No. 205895-A)

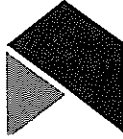
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PARAMOUNT CORPORATION BERHAD
(Company No. 8578-A)
(Incorporated in Malaysia)

Registered Office:-

39th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

23 June 1997

Directors:-

Tun Dato' Haji Omar Yoke Lin Ong, *SSM, PMN, SPMS, SPDK*
Hon. Ph.D (Malaya), Hon. L.L.D (Hanyang, Seoul) (Chairman)
Teo Chiang Quan (*Chief Executive Officer*)
Tan Sri Dato' Ahmad Sabki bin Jahidin, *PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK*
Dato' Haji Azlan bin Hashim, *DSNS, DSSA*
Datuk Lim Sun Hoe, *PSD, AMN*
Teo Soo Chew
Teo Chiang Khai
Md. Taib bin Abdul Hamid
Ong Keng Siew

To the Shareholders of Paramount Corporation Berhad

Dear Sir/Madam

PROPOSED DISPOSAL OF 2,000,000 ORDINARY SHARES OF RM1.00 EACH REPRESENTING THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WMSB FOR A TOTAL CASH CONSIDERATION OF RM38,222,808

1. INTRODUCTION

On 17 April 1997, CIMB, on behalf of the Board of PCB announced that the Company had on 17 April 1997 entered into a conditional Sale and Purchase Agreement with the Purchaser for the proposed disposal of 2,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of WMSB to the Purchaser for a total cash consideration of RM38,222,808 and an undertaking by the Purchaser to repay in full all inter company loans extended by the company to WMSB amounting to RM51,777,192 ("Loan").

The purpose of this Circular is to explain the rationale and provide you with the details of the Proposed Disposal and to seek your approval on the ordinary resolution to be tabled at the forthcoming EGM.

2. DETAILS OF WMSB

WMSB was incorporated on 9 October 1990 in Malaysia. The present authorised, issued and paid-up share capital of WMSB is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

The principal activity of WMSB is property investment. WMSB is the registered proprietor of the entire parcel of freehold land held under Geran 11432 Lot 126 Seksyen 57, Bandar Kuala Lumpur, Wilayah Persekutuan measuring in area 3,738.11 square metres upon which stands a condominium block known as Regency Tower located at No. 8 Jalan Ceylon, 50200 Kuala Lumpur. The property which is approximately 6 years old, consists of 72 units of 3 bedroom luxury apartments and 4 units of duplex penthouses with an annex 3 storey carpark block. The property is currently being rented to tenants. The gross rental revenue for the year ended 31 December 1996 amounted to RM6.9 million.

The Open Market Value of the property based on the Comparison and Investment Method was appraised by an independent valuer, Messrs. Jones Lang Wootton, at RM90,000,000 on 22 April 1997. A copy of the Valuers' Letter is set out in Appendix II.

3. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal involves the disposal of 2,000,000 ordinary shares of RM1.00 each in WMSB representing the entire issued and paid-up share capital of WMSB to the Purchaser for a total cash consideration of RM38,222,808. In addition, the Purchaser undertakes to repay in full all inter company loans extended by the Company to WMSB amounting to RM51,777,192.

The Share Purchase Consideration of RM38,222,808 was arrived at on a "willing buyer willing seller" basis after taking into consideration the undertaking by the Purchaser to repay the inter company loans of RM51,777,192 extended by the Company to WMSB.

A deposit in the sum of RM9,000,000 (being part payment of the Share Purchase Consideration) was paid by the Purchaser upon the execution of the aforesaid conditional Sale and Purchase Agreement.

The balance of the Share Purchase Consideration amounting to RM29,222,808 and the repayment of the Loan amounting to RM51,777,192 shall be paid by the Purchaser within 7 business days after receipt of approval from the FIC or within 6 months from the date of execution of the aforesaid Conditional Sale and Purchase Agreement, whichever is later.

The proceeds from the Proposed Disposal are expected to be utilised for working capital, future acquisition of suitable landbanks, for property development projects and investment in alternative business opportunities. The PCB Group has not identified any suitable acquisitions or investments as at the date of this Circular. The proceeds from the Proposed Disposal will be placed on deposit with financial institutions until suitable acquisitions or investments are identified.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is to take advantage of current buoyant property prices. It is also in line with the Company's objective to improve its cash resources, strengthen its financial position and reposition itself to take advantage of alternative investment opportunities to enhance the earnings of the PCB Group.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 Share Capital

The Proposed Disposal will not have any effect on the issued and paid-up share capital of PCB.

5.2 NTA

The proforma effects of the Proposed Disposal based on the audited balance sheet of the PCB Group as at 31 December 1996, are as follows:-

	Before Proposed Disposal RM'000	After Proposed Disposal RM'000
Share capital	97,890	97,890
Reserves	<u>105,741</u>	<u>140,641</u>
Shareholders' funds	203,631	238,531
Less: Deferred expenditure	69	69
Goodwill on consolidation	<u>10,262</u>	<u>10,262</u>
NTA	193,300	228,200
NTA per share (RM)	<u>1.97</u>	<u>2.33</u>

5.3 Earnings

The Proposed Disposal is not expected to have any material impact on the future earnings of the PCB Group for the financial year ending 31 December 1997. The Proposed Disposal is expected to result in an extraordinary gain of approximately RM34.9 million on the PCB Group level for the year ending 31 December 1997.

6. CONDITIONS OF THE PROPOSED DISPOSAL

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

- (i) the FIC; and
- (ii) the shareholders of PCB at the EGM to be convened.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the Directors or substantial shareholders of PCB has any interest, direct or indirect, in the Proposed Disposal.

8. DIRECTORS' RECOMMENDATION

Your Directors, having considered all aspects of the Proposed Disposal, are of the opinion that the Proposed Disposal is in the interest of the Company and that the terms are fair and reasonable. Accordingly, your Directors recommend that shareholders vote in favour of the resolution to be proposed at the forthcoming EGM.

9. ADDITIONAL INFORMATION

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

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

Tun Dato' Haji Omar Yoke Lin Ong
Chairman

INFORMATION ON WMSB

1. History and Business

WMSB was incorporated as a private limited company on 9 October 1990 in Malaysia under the Companies Act, 1965. The company is principally involved in property investment.

2. Share Capital

The share capital of WMSB as at 31 May 1997 is as follows:-

	No. of ordinary shares	Par value RM	RM
Authorised	2,000,000	1.00	2,000,000
Issued and paid-up	2,000,000	1.00	2,000,000

Details of the changes in the issued and paid-up share capital of WMSB since incorporation are as follows:-

Date of Allotment	No. of ordinary shares allotted	Par value RM	Consideration	Issued and paid-up share capital (cumulative) RM
09.10.1990	2	1.00	Cash	2
02.10.1991	1,999,998	1.00	Cash	2,000,000

3. Subsidiary and Associated Companies

As at 31 May 1997, WMSB does not have any subsidiary or associated companies.

4. Directors

The Directors of WMSB, all of whom are Malaysians, and their shareholdings as at 31 May 1997 are as follows:-

Name	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Teo Chiang Quan	-	-	2,000,000*	-
Ong Keng Siew	-	-	-	-
Datuk Lim Sun Hoe	-	-	-	-

Note:-

* By virtue of his substantial equity interest in PCB

5. Substantial Shareholders

The substantial shareholders (holding 5% or more) of WMSB as at 31 May 1997 are as follows:-

Name	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
PCB	2,000,000	100.00	-	-

6. Profit and Dividend Record

The following table summarises the audited profit and dividend record of WMSB for the last five (5) financial years ended 31 December 1996:-

	Year ended 31 December				
	1992 RM	1993 RM	1994 RM	1995 RM	1996 RM
Turnover	5,553,496	6,045,564	6,136,262	6,723,717	6,960,788
Profit/(loss) before taxation	(1,844,485)	(63,297)	906,052 ^{*1}	1,284,648 ^{*2}	1,304,706
Taxation	-	-	-	-	(653,000)
Profit/(loss) after taxation	(1,844,485)	(63,297)	906,052	1,284,648	651,706
Share capital (RM)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net earnings/(loss) per share (sen)	(92.2)	(3.2)	45.3	64.2	32.6
Gross dividend (%)	-	-	-	-	-

Notes:-

^{*1} Increase in profit before taxation in 1994 was attributed to lower interest expenses as a result of repayment of a syndicated term loan of RM10 million at the end of 1993.

^{*2} Increase in profit before taxation in 1995 was attributed to higher rental income as a result of higher occupancy and rental rates.

^{*3} There were no Minority Interests or Extraordinary Items in respect of the last five(5) financial years ended 31 December 1996.

7. Extracts of the Audited Accounts of WMSB for the Year ended 31 December 1996 together with the Auditors' Report

205895-A

WANGSA MERDU SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET - 31 DECEMBER, 1996

	<u>Note</u>	<u>1996</u> RM	<u>1995</u> RM
CURRENT ASSETS			
Cash and bank balances		10,386	3,960
Trade debtors	3	79,343	48,116
Other debtors		127,727	114,528
Due from a related company		4,320	238
		<u>221,776</u>	<u>166,842</u>
CURRENT LIABILITIES			
Bank borrowings	4	3,000,000	9,000,000
Other creditors	5	2,486,836	2,105,763
Due to holding company	6	18,287,192	15,090,708
Taxation		160,000	-
		<u>23,934,028</u>	<u>26,196,471</u>
NET CURRENT LIABILITIES		(23,712,252)	(26,029,629)
FIXED ASSETS	7	55,836,828	56,999,097
PROVISION FOR RETIREMENT BENEFITS		(42,739)	(32,337)
DUE TO HOLDING COMPANY	8	(30,490,000)	(30,490,000)
DEFERRED TAXATION	9	(493,000)	-
		<u>1,098,837</u>	<u>447,131</u>
SHAREHOLDERS' FUNDS			
Share capital	10	2,000,000	2,000,000
Accumulated losses		(901,163)	(1,552,869)
		<u>1,098,837</u>	<u>447,131</u>

The accompanying notes are an integral part of this balance sheet.

WANGSA MERDU SDN. BHD.
(Incorporated in Malaysia)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 1996

	<u>Note</u>	<u>1996</u> RM	<u>1995</u> RM
Turnover	11	<u>6,960,788</u>	<u>6,723,717</u>
Profit before taxation	12	1,304,706	1,284,648
Taxation	13	<u>(653,000)</u>	<u>-</u>
Profit after taxation		651,706	1,284,648
Accumulated losses brought forward		<u>(1,552,869)</u>	<u>(2,837,517)</u>
Accumulated losses carried forward		<u>(901,163)</u>	<u>(1,552,869)</u>

The accompanying notes are an integral part of this account.

WANGSA MERDU SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 1996

	<u>1996</u>	<u>1995</u>
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,304,706	1,284,648
Adjustment for:		
Depreciation	1,543,831	1,537,403
Fixed assets written off	12,932	-
Loss on disposal of fixed assets	884	840
Provision for retirement benefits	10,402	32,337
Operating profit before working capital changes	<u>2,872,755</u>	<u>2,855,228</u>
(Increase)/decrease in debtors	(44,426)	28,090
Increase in creditors	381,073	17,641
Decrease in due from related companies	(4,082)	(6)
Increase/(decrease) due to holding company	<u>3,196,484</u>	<u>(2,661,948)</u>
Net cash generated from operations	<u>6,401,804</u>	<u>239,005</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(395,428)	(246,605)
Proceeds from disposal of fixed assets	50	4,862
Net cash used in investing activities	<u>(395,378)</u>	<u>(241,743)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(9,000,000)	-
Drawdown of bank borrowings	3,000,000	-
Net cash used in financing activities	<u>(6,000,000)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalent	6,426	(2,738)
Cash and cash equivalent at beginning of year	3,960	6,698
Cash and cash equivalent at end of year	<u>10,386</u>	<u>3,960</u>

The accompanying notes are an integral part of this statement.

WANGSA MERDU SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1996

1. PRINCIPAL ACTIVITY

The principal activity of the Company consists of property investment.

There has been no significant change in this activity during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared under the historical cost convention and comply with approved accounting standards.

(b) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Freehold land is not depreciated. Depreciation of other fixed assets is provided on a straight line basis calculated to write off the cost of each asset over its estimated useful life.

The principal annual rates of depreciation are:

Building	1%
Plant, machinery and equipment	10%
Furniture, fittings and equipment	10% - 25%
Kitchen and laundry equipment	10%
Computer equipment	33.33%

During the year, the directors have decided to change the depreciation rate of the computer from 20% to 33.33% to better reflect the estimated useful economic lives of the assets. The effect of the change of depreciation rate is not material to the Company's profit.

(c) Retirement Benefits

The Company makes provisions for retirement benefits payable to its eligible employees in accordance with the Group Retirement Benefits Plan.

(d) Deferred Taxation

Deferred taxation is provided under the liability method in respect of all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.

3. TRADE DEBTORS

	<u>1996</u> RM	<u>1995</u> RM
Trade debtors	114,704	83,477
Provision for doubtful debts	<u>(35,361)</u>	<u>(35,361)</u>
	<u>79,343</u>	<u>48,116</u>

4. BANK BORROWINGS

	<u>1996</u> RM	<u>1995</u> RM
Term loan	-	9,000,000
Revolving credits	<u>3,000,000</u>	<u>-</u>
	<u>3,000,000</u>	<u>9,000,000</u>

The revolving credit is secured by way of corporate guarantee from Paramount Corporation Berhad and bears interest rates of between 10.1% to 10.5% (1995 : Nil) per annum.

The term loan in prior year obtained from a consortium of financial institutions had been fully repaid during the year.

5. OTHER CREDITORS

	<u>1996</u> RM	<u>1995</u> RM
Included in other creditors are the following:		
Interest payable on bank borrowings	4,300	6,997
Tenants deposits	<u>2,129,202</u>	<u>1,899,102</u>

6. DUE TO HOLDING COMPANY

	<u>1996</u> RM	<u>1995</u> RM
Interest bearing ranges between 10.1% - 10.5% per annum	6,000,000	-
Non-interest bearing	<u>12,287,192</u>	<u>15,090,708</u>
	<u>18,287,192</u>	<u>15,090,708</u>

The short-term advances are unsecured and repayable on demand.

7. FIXED ASSETS

<u>1996</u>	<u>Cost</u> RM	<u>Accumulated</u> <u>Depreciation</u> RM	<u>Net Book</u> <u>Value</u> RM	<u>Depreciation</u> <u>Charge</u> RM
Freehold land	10,000,000	-	10,000,000	-
Building	44,015,358	2,526,459	41,488,899	440,153
Plant, machinery and equipment	3,708,502	2,128,627	1,579,875	370,850
Furniture, fittings and equipment	5,016,646	2,849,362	2,167,284	595,156
Kitchen and laundry equipment	1,247,023	659,047	587,976	123,284
Computer equipment	32,240	19,446	12,794	14,388
	<u>64,019,769</u>	<u>8,182,941</u>	<u>55,836,828</u>	<u>1,543,831</u>
<u>1995</u>				
Freehold land	10,000,000	-	10,000,000	-
Building	44,015,358	2,086,306	41,929,052	440,154
Plant, machinery and equipment	3,708,502	1,757,776	1,950,726	370,850
Furniture, fittings and equipment	4,731,291	2,328,179	2,403,112	599,431
Kitchen and laundry equipment	1,223,853	535,763	688,090	121,181
Computer equipment	35,978	7,861	28,117	5,787
	<u>63,714,982</u>	<u>6,715,885</u>	<u>56,999,097</u>	<u>1,537,403</u>

In the prior year, the fixed assets was charged to financial institutions for the term loan given to the Company.

Included in fixed assets of the Company is the following cost of fully depreciated assets which are still in use:

	<u>1996</u> RM	<u>1995</u> RM
Furniture, fittings and equipment	356,552	237,579
Computer equipment	3,882	-
	<u>360,434</u>	<u>237,579</u>

8. DUE TO HOLDING COMPANY

The amount due to holding company bears interest of 6% (1995 : 6%) per annum with no fixed terms of repayment.

9. DEFERRED TAXATION

	<u>1996</u> RM	<u>1995</u> RM
At 1 January	-	-
Transfer from profit and loss account	<u>493,000</u>	<u>-</u>
At 31 December	<u>493,000</u>	<u>-</u>

The deferred taxation is in respect of the following:

	<u>1996</u> RM	<u>1995</u> RM
Timing differences between		
- depreciation and corresponding capital allowances of fixed assets	1,687,000	-
- other timing differences	<u>(43,000)</u>	<u>-</u>
	<u>1,644,000</u>	<u>-</u>

10. SHARE CAPITAL

	<u>1996</u> RM	<u>1995</u> RM
Ordinary shares of RM1.00 each:		
Authorised	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid-up	<u>2,000,000</u>	<u>2,000,000</u>

11. TURNOVER

Turnover represents rental income.

12. PROFIT BEFORE TAXATION

	<u>1996</u> RM	<u>1995</u> RM
Profit before taxation is arrived at after charging:		
Auditors' remuneration	5,000	5,000
Depreciation	1,543,831	1,537,403
Fixed assets written off	12,932	-
Interest expense - holding company	2,306,640	1,829,400
- others	442,433	767,506
Loss on disposal of fixed assets	884	840
Provision for retirement benefits	<u>10,402</u>	<u>32,337</u>

13. TAXATION

	<u>1996</u> RM	<u>1995</u> RM
Current year's provision	160,000	-
Transfer to deferred taxation	493,000	-
	<u>653,000</u>	<u>-</u>

The disproportionate tax charge of the Company for current year is due primarily to adjustment on timing differences between depreciation and corresponding capital allowances and certain expenses being disallowed for tax purposes.

There is no taxation charge for prior year due to the utilisation of unabsorbed capital allowances and losses.

14. HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Paramount Corporation Berhad, a company incorporated in Malaysia.

15. CURRENCY

All amounts are stated in Ringgit Malaysia.

ARTHUR ANDERSEN

Arthur Andersen & Co.
Public Accountants

Level 1 – Block C (South)
Pusat Bandar Damansara, 50490 Kuala Lumpur,
P O Box 11040, 50734 Kuala Lumpur, Malaysia.
Tel : 03-255 7000
Fax : 03-255 5332 (Main)
03-255 9076, 03-255 9078 (Audit)
03-254 3948 (CRS)


AUDITORS' REPORT


To the Shareholder of
WANGSA MERDU SDN. BHD.

We have examined the accounts of WANGSA MERDU SDN. BHD. as at 31 December, 1996. Our examination was made in accordance with approved auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion,

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and give a true and fair view of the state of affairs of the Company as at 31 December, 1996 and of its results and cash flow for the year then ended, and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.


Arthur Andersen & Co.
No. AF 0103
Public Accountants


Habibah bte Abdul
No. 1210/5/98(J)
Partner of the Firm

Dated: 24 MAR 1997

VALUERS' LETTER ON WMSB'S PROPERTY

Messrs Jones Lang Wootton
6th Floor
Bangunan Getah Asli
148 Jalan Ampang
50450 Kuala Lumpur

19 June 1997

The Board of Directors
Paramount Corporation Berhad
39th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

Dear Sirs

REPORT AND VALUATION ON WANGSA MERDU SDN. BHD'S PROPERTY

This letter has been prepared for inclusion in the Circular of Paramount Corporation Berhad to be dated 23 June 1997.

We have inspected and valued the property on 22 April 1997 (Ref. No. V/74/97/CP) as mentioned below and we are of the opinion that the Open Market Value of the property is as follows:-

Date of Valuation	Property	Method of Valuation	Value
22 April 1997	Lot 126, Section 57 Bandar Kuala Lumpur Wilayah Persekutuan known as Regency Tower located at No. 8 Jalan Ceylon, 50200 Kuala Lumpur	Comparison and Investment Method	RM90,000,000

Full details of our valuation are shown in our Valuation Report dated 22 April 1997 under the reference no. V/74/97/CP.

Yours faithfully
JONES LANG WOOTTON

OOI YEW HOCK FISM
REGISTERED VALUER (V-273)

FURTHER INFORMATION**1. Directors' Responsibility Statement**

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

2. Consent

Messrs. Jones Lang Wootton, CIMB and Arthur Andersen & Co. have given and have not withdrawn their written consents before the issue of this Circular to the inclusion in this Circular of their names, letter and reports, where applicable and all references thereto in the form and manner in which they so appear.

3. Material Contracts

Save as disclosed below, the PCB Group has not entered into any material contract, other than contracts entered into in the ordinary course of business, during the two (2) years immediately preceding the date of this Circular.

- (i) On 4 October 1996, PCB entered into a sale and purchase agreement with Yeo Hock Lim and Tan Hwee Beng for the acquisition of the entire issued and paid-up share capital of Berlian Sakti Sdn. Bhd. comprising 750,000 ordinary shares of RM1.00 each for a total cash consideration of RM20,000,000;
- (ii) On 13 December 1996, PCB entered into a conditional sale and purchase agreement with Sengin Sdn. Bhd. and Teo Soo Pin Sdn. Bhd. for the acquisition of 74.99% equity interest in K.U. Sistem Holding Sdn. Bhd. comprising 750,000 ordinary shares of RM1.00 each for a total cash consideration of RM9,900,000;
- (iii) On 2 January 1997, PCB entered into several conditional sale and purchase agreements with See Hoy Chan Sdn. Bhd., The Nanyang Insurance Co. Ltd., Paramount Malaysia (1963) Sdn. Bhd. and Four Seas Enterprise Corporation Sendirian Berhad ("FSEC") for the acquisition of 34.36% equity interest in Paramount Assurance Berhad comprising 2,804,000 ordinary shares of RM1.00 each for a total cash consideration of RM5,523,412.70;
- (iv) On 2 January 1997, Berkeley Sdn. Bhd., a wholly-owned subsidiary of PCB entered into a conditional sale and purchase agreement with See Hoy Chan Agencies Sendirian Berhad for the disposal of 47.39% equity interest in FSEC comprising 490,000 ordinary shares of RM1.00 each for a total cash consideration of RM1,065,207.92; and
- (v) On 17 April 1997, PCB entered into a conditional sale and purchase agreement with the Purchaser for the disposal of the entire issued and paid-up share capital of WMSB comprising 2,000,000 ordinary shares of RM1.00 each to the Purchaser for a total cash consideration of RM38,222,808 and an undertaking by the Purchaser to repay in full all inter company loans extended by the Company to WMSB amounting to RM51,777,192.

4. Material Litigation

The PCB Group is not engaged in any material litigation either as plaintiff or defendant and the Board of PCB do not have any knowledge of any proceedings pending or threatened against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of PCB and/or its subsidiary companies.

5. Documents available for Inspection

Copies of the following documents are available for inspection at the Registered Office of PCB at 39th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, during normal business hours between Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (a) Memorandum and Articles of Association of PCB and WMSB;
- (b) Audited accounts of WMSB for the three (3) financial years ended 31 December 1996;
- (c) Audited accounts of the PCB Group for the three (3) financial years ended 31 December 1996;
- (d) The material contracts referred to in paragraph 3 above;
- (e) The Valuation Report and Valuers' Letter from Messrs. Jones Lang Wootton; and
- (f) The letters of consent referred to in paragraph 2 above.



PARAMOUNT CORPORATION BERHAD
(Company No. 8578-A)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at Bilik Kuliah, 11th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur on Tuesday, 8 July 1997 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolution:-

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF 2,000,000 ORDINARY SHARES OF RM1.00 EACH REPRESENTING THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WANGSA MERDU SDN. BHD. ("WMSB") TO MULPHA PACIFIC SDN. BHD. FOR A TOTAL CASH CONSIDERATION OF RM38,222,808

"THAT, subject to the approvals of the relevant authorities, the Sale and Purchase Agreement dated 17 April 1997 entered into between the Company and Mulpha Pacific Sdn. Bhd. for the proposed disposal of 2,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of WMSB for a total cash consideration of RM38,222,808 ("Proposed Disposal") subject to and upon the terms and conditions as contained therein be and is hereby approved AND THAT the Board of Directors be and are hereby authorised to give effect to the Proposed Disposal and the Company's obligations thereunder with full power to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Disposal."

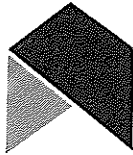
BY ORDER OF THE BOARD

Tay Lee Kong
Company Secretary

KUALA LUMPUR
23 June 1997

Notes:-

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



PARAMOUNT CORPORATION BERHAD

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

Number of Shares held

FORM OF PROXY

I/We
(PLEASE USE BLOCK CAPITALS)

of
(FULL ADDRESS)

being a member/members of Paramount Corporation Berhad, hereby appoint

.....

of

and*

of

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Bilik Kuliah, 11th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur on Tuesday, 8 July 1997 at 10.30 a.m. or at any adjournment thereof, as indicated below:-

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

RESOLUTION	FOR	AGAINST
Ordinary Resolution		

Please indicate with an "X" in the space provided as to how you wish your votes to be cast. If you do not do so, your Proxy will vote or abstain from voting at his discretion.

Signed this day of 1997

Signature/Common Seal

Notes:-

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



