



PARAMOUNT CORPORATION

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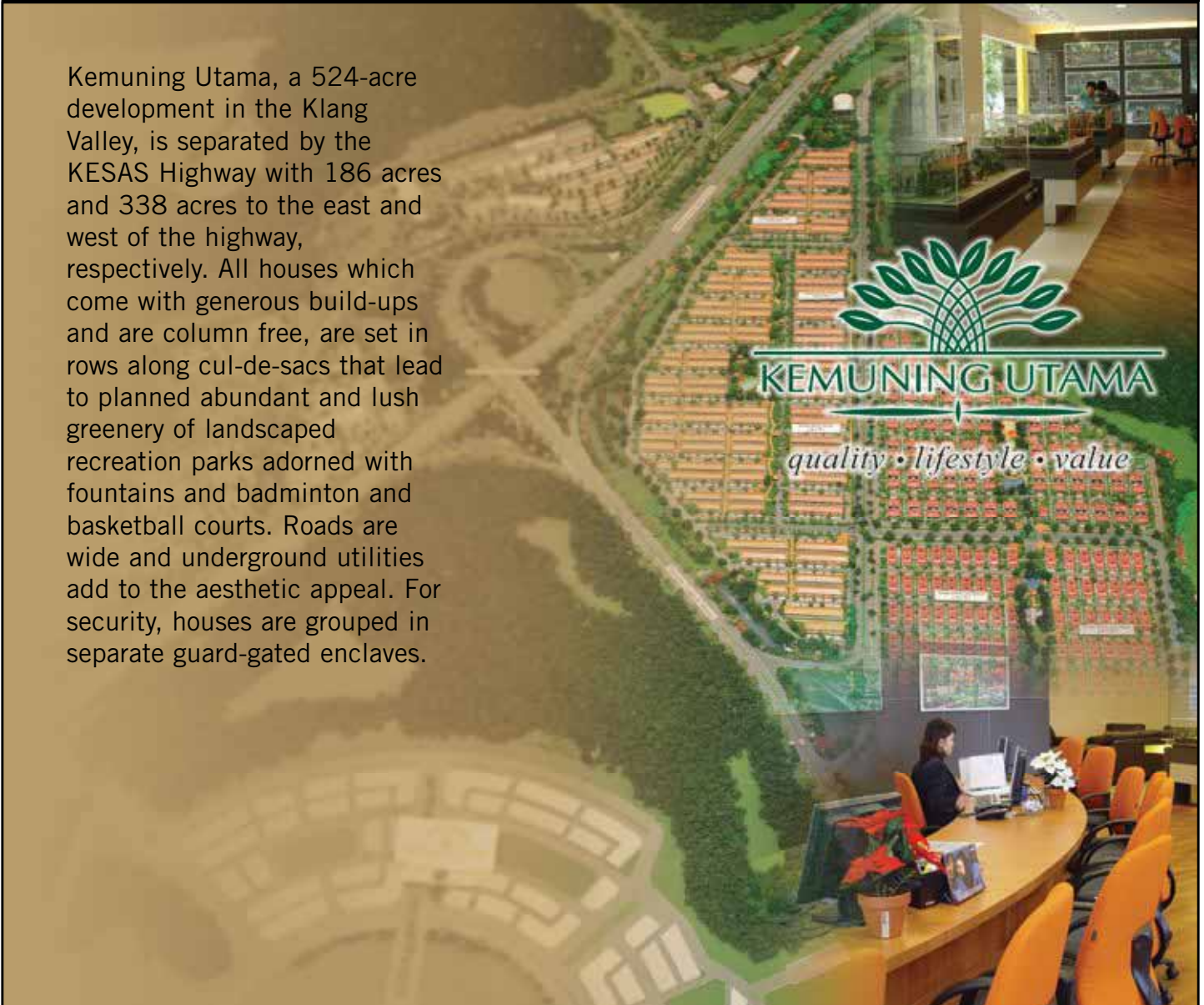
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about Kemuning Utama

Kemuning Utama, a 524-acre development in the Klang Valley, is separated by the KESAS Highway with 186 acres and 338 acres to the east and west of the highway, respectively. All houses which come with generous build-ups and are column free, are set in rows along cul-de-sacs that lead to planned abundant and lush greenery of landscaped recreation parks adorned with fountains and badminton and basketball courts. Roads are wide and underground utilities add to the aesthetic appeal. For security, houses are grouped in separate guard-gated enclaves.



We deliver homes where children seek the freedom to exercise their sense of play.

A HOME HAS TO BE MORE THAN A BUILDING. IT HAS TO BE A SPACE GENEROUS ENOUGH FOR LIFE TO EXPAND AND GROW. AN ENCLOSURE IN STRUCTURE BUT OPEN IN SPIRIT TO NURTURE A LIFETIME OF CHERISHED MEMORIES.

AT KEMUNING UTAMA, THESE ARE THE HOMES WE DELIVER. HOMES TO HIDE YOURSELF IN THE REJUVENATION OF QUIET CONTEMPLATION. HOMES WHERE CHILDREN SEEK THE FREEDOM TO EXERCISE THEIR SENSE OF PLAY. ENJOY!



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notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Sixth Annual General Meeting of the Company will be held at Topas Room, Ground Floor, The Saujana, 2km, Off Sultan Abdul Aziz Shah Airport Highway, Saujana, 47200 Subang, Selangor Darul Ehsan on Tuesday, 23 May 2006 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 31 December 2005 together with the Reports of the Directors and the Auditors thereon.

RESOLUTION 1

2. To approve the declaration of a final dividend of 7.5%, less income tax at 28%, and a special dividend of 2.5%, less income tax at 28%, in respect of the year ended 31 December 2005.

RESOLUTION 2

3. To approve the aggregate Directors' fees payable to the Directors of the Company of an amount not exceeding RM400,000/- per annum.

RESOLUTION 3

4. To re-elect the following Directors who retire pursuant to Article 119(a) of the Company's Articles of Association:

(a) Dato' Md Taib bin Abdul Hamid

RESOLUTION 4

(b) Ong Keng Siew

RESOLUTION 5

5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

"That YBhg Tan Sri Dato' Ahmad Sabki bin Jahidin, a Director who retires in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

RESOLUTION 6

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorize the Directors to fix their remuneration.

RESOLUTION 7

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

"That, in accordance with Section 129(6) of the Companies Act, 1965, Mr Geh Cheng Hooi be and is hereby appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

RESOLUTION 8

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Authority to Directors to issue shares

"That, subject to the Companies Act, 1965, Articles of Association of the Company and approval from Bursa Malaysia Securities Berhad and other Governmental or regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965, to issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of

NOTICE OF DIVIDEND ENTITLEMENT

shares to be issued pursuant to this resolution does not exceed ten percentum (10%) of the issued share capital of the Company for the time being.”

RESOLUTION 9

By Order of the Board

TAY LEE KONG
Secretary

Petaling Jaya
Selangor Darul Ehsan
28 April 2006

NOTES

Appointment of Proxy

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a 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 above meeting.

Explanatory Notes on Special Businesses

1. Mr Geh Cheng Hooi was a Director of the Company from 3 March 1998 to 7 March 2006, when he vacated his office as a Director to comply with Article 95(c) of the Company's Articles of Association, which states that "The office of a Director shall be vacated, if he is absent from more than 50% of the total board of directors' meetings held during a financial year of the Company".

Given Mr Geh's distinguished career and invaluable experience, contributions and wise counsel to the Board during his term of office, the Board has recommended pursuant to Article 119(d) of the Company's Articles of Association, the appointment of Mr Geh Cheng Hooi as an Independent Non-Executive Director of the Company and a Notice of Nomination dated 25 April 2006 from the Board is included on page 124 of this report. Mr Geh has agreed to the nomination and his Notice of Consent dated 25 April 2006 signifying his candidature for the office as an Independent Non-Executive Director is included on page 125 of this report. Further details on Mr Geh are as stated in the Directors' profile on pages 12 to 15.

The Ordinary Resolution proposed under item 7 of the agenda, if passed, will increase the number of board members to seven (7) and the number of Independent Non-Executive Directors from three (3) to four (4).
2. The Ordinary Resolution proposed under item 8, if passed, will renew the powers given to the Directors at the last Annual General Meeting, authority to issue up to ten percentum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company.

This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting.

Subject to the approval of the shareholders, a final dividend of 7.5%, less income tax at 28%, and a special dividend of 2.5%, less income tax at 28%, in respect of the year ended 31 December 2005, will be paid on 28 July 2006 to shareholders whose names appear in the Record of Depositors on 17 July 2006.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the depositor's securities account before 4.00 p.m. on 17 July 2006 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

statement accompanying notice of thirty-sixth annual general meeting

pursuant to paragraph
8.28(2) of Bursa Malaysia
Securities Berhad Listing
Requirements

1. Names of Directors seeking re-election or re-appointment:

The Directors retiring by rotation pursuant to Article 119(a) of the Company's Articles of Association and seeking re-election are as follows:

- Dato' Md Taib bin Abdul Hamid
- Ong Keng Siew

A Director who is over the age of seventy and seeking re-appointment is as follows:

- Tan Sri Dato' Ahmad Sabki bin Jahidin

The details of the three Directors seeking re-election or re-appointment are the same as that stated in the Directors' profile from pages 12 to 15 and the shareholdings of the Directors in the Company are the same as that stated on page 58.

2. Details of Attendance of Directors at Board Meetings:

The details of the attendance of Directors at board meetings are the same as that stated in the Directors' profile from pages 12 to 15.

3. The Thirty-Sixth Annual General Meeting will be held at Topas Room, Ground Floor, The Saujana, 2km, Off Sultan Abdul Aziz Shah Airport Highway, Saujana, 47200 Subang, Selangor Darul Ehsan on Tuesday, 23 May 2006 at 10.00 a.m.

group corporate structure



property

- 100% Paramount Property Holdings Sdn Bhd (Formerly known as Perumahan Berjaya Sdn Bhd)
- 100% Wangsa Merdu Sdn Bhd
- 100% Paramount Property (Utara) Sdn Bhd
 - ▶ 100% Kelab Bandar Laguna Merbok Sdn Bhd
- 100% Paramount Property Development Sdn Bhd

construction & civil engineering

- 100% Paramount Engineering & Construction Sdn Bhd
 - ▶ 100% Paramount Construction Sdn Bhd (Formerly known as Arah Teknik Sdn Bhd)
 - ▶ 100% Paramount Projects Sdn Bhd (Formerly known as Bilsys Sdn Bhd)
 - ▶ 100% Paramount Building Materials Sdn Bhd

education

- 85% KDU College Sdn Bhd
 - ▶ 100% KDU Smart School Sdn Bhd
 - ▶ 100% Janahasil Sdn Bhd
- 100% KDU Management Development Centre Sdn Bhd
- 100% KDU International Sdn Bhd
 - ▶ 100% KDU International Language Training School Limited

investment

- 100% Paramount Corporation Limited
- 100% Paramount Global Assets Sdn Bhd
 - ▶ 20% Jerneh Insurance Bhd
 - ▶ 4.27% iCarnegie, Inc

others

- 100% Berkeley Sdn Bhd
- 30% Berkeley Maju Sdn Bhd
- 100% Current Connection Sdn Bhd
- 100% Paramount Electronics Industries Sdn Bhd
- 27% Suci Teguh Holdings Sdn Bhd (In Liquidation)
- 49% Jasarim Bina Sdn Bhd
- 100% Seleksi Megah Sdn Bhd

vision

To be an innovative market leader in our businesses that benefit society

mission

To provide superior products and services that exceed our customers' expectations

To recognise our employees as our single most important asset and encourage them to realise their full potential in a caring and conducive environment

To enhance shareholders' value by growing our businesses

corporate profile



Paramount Corporation Berhad (Paramount) was incorporated on 15th April 1969 as a public limited company under the name of Malaysia Rice Industries Berhad. It was then principally involved in the business of rice milling.

In 1971, Paramount successfully obtained listing on the Official Lists of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) and Stock Exchange of Singapore Ltd (SES).

In 1978, Paramount was restructured into a property development company with the acquisition of the entire issued share capital of Perumahan Berjaya Sdn Bhd (now known as Paramount Property Holdings Sdn Bhd), a real estate company. As part of the Company's plans to diversify further, Paramount also acquired an oil palm estate in Perak in 1980. The Company assumed its present name in 1980.

In 1981, Paramount acquired a 49% equity interest in Nanyang Insurance Company Berhad (NIC), whose principal activity was the underwriting of general insurance business.

The following year, Paramount acquired the entire issued and paid-up share capital of 4 more property development companies, Patani Jaya Sdn Bhd (now known as Paramount Property (Utara) Sdn Bhd), Berkeley Sdn Bhd, Berkeley Maju Sdn Bhd and Maju Gading Development Sdn Bhd (now known as KDU International Sdn Bhd).

1983 marked Paramount's entry into the education business with its wholly-owned subsidiary, Kolej Damansara Utama Sdn Bhd (now known as KDU College Sdn Bhd)(KDU), setting up a campus in Petaling Jaya. Today, KDU is acknowledged as a premier centre for tertiary education.

In 1984, Paramount ceased its rice milling operations.

In compliance with national policy, Paramount was delisted from the Official List of SES on 1st January 1990.

In March 1991, Paramount completed the acquisition of a 23-storey condominium known as Regency Tower.

Spurred by the success of the Petaling Jaya campus, KDU opened a branch campus in Penang in July 1991.

NIC became a subsidiary of Paramount following the acquisition of additional shares in 1993 and in the same year changed its name to Paramount Assurance Berhad (PAB) to reflect the Group's common identity.

In October 1996, Paramount acquired Berlian Sakti Sdn Bhd (now known as Paramount Engineering & Construction Sdn Bhd), one of the major contractors for the Group's past and present development projects. This alliance was created to reap synergistic benefits for both companies. The same year, KDU further expanded its business by entering into a joint venture to set up a campus in Sibul, East Malaysia, which was closed in September 2003 due to non-viability, and was subsequently disposed of.

In 1997, Paramount divested 15% of its investment in KDU to comply with the Ministry of Education's requirements on bumiputra equity.

In line with Bank Negara Malaysia's directive on the merger of insurance companies, PAB's general insurance operation merged with that of Jerneh Insurance Berhad (JIB) in December 1999, resulting in PAB holding a 20% equity in JIB. PAB then changed its name to Paramount Global Assets Sdn Bhd (PGA) to reflect the current nature of its business.

In October 2001, KDU through its wholly-owned subsidiary, KDU Smart School Sdn Bhd, expanded its education business by moving downstream to set up a private smart primary and secondary school, Sekolah Sri KDU.

Paramount through its wholly-owned subsidiary, PGA, took up a 20.31% equity in iCarnegie, Inc (iCarnegie) in June 2002. iCarnegie, which is an associate company of Carnegie Technology Education, is, in turn, a wholly-

core values

EXCELLENCE

We will be single-minded in our quest to be the best in our core businesses

INTEGRITY AND TRANSPARENCY

We will maintain the highest standards of integrity, and continue to remain transparent in all facets of our operations

GOODWILL

We will attach equal importance to building both human values and business values

COMMUNITY

We are a responsible corporate citizen, sensitive to the needs of the community

ENVIRONMENT

We are committed to protecting the environment



owned subsidiary of Carnegie Mellon University, a world leader in computing, education and research. The Group's investment in iCarnegie has been diluted to 4.27% following iCarnegie's restructuring exercise to consolidate its shares and issue of additional shares to its major shareholder.

On 28 June 2002, KDU Management Development Centre Sdn Bhd (KMDC), a wholly-owned subsidiary, was set up to venture into the provision of executive education and professional development programmes.

In line with Paramount's strategy to expand its land bank in high growth areas, Paramount through its wholly-owned subsidiary company, Paramount Property Development Sdn Bhd, acquired 524.70336 acres of freehold prime broadacre parcel of development land located in the central corridor of Klang Valley, which was completed in June 2003.

On 19 December 2003, Paramount completed the disposal of the oil palm estate in line with the Group's strategy to strengthen itself to take advantage of alternative investment opportunities that can maximise returns. The same month, Paramount, through its wholly-owned subsidiary, KDU International Sdn Bhd, ventured into China to establish its first language training school to offer a range of English courses.

Over the years, Paramount has been pursuing a vision of value creation for its customers, shareholders, business partners and employees. Today, this vision has shaped Paramount into a progressive and successful group of companies. Paramount now focuses on 3 core businesses, i.e. property, construction and education, in order to capitalise on the Group's resources and expertise.

Paramount's property development arm, Paramount Property (Utara) Sdn Bhd has, earned an excellent reputation as a reliable and quality focused developer in Sungai Petani, which attribute has been reaffirmed through winning the prestigious 12th FIABCI Property Award of Distinction 2004, RESIDENTIAL DEVELOPMENT CATEGORY. Kemuning Utama, the

Group's maiden property development in the Klang Valley, has experienced overwhelming success since the project took off. Its innovative and quality products, geared to match purchasers' requirements saw a take up rate of 99% of its launches. Paramount achieved another major milestone when for the consecutive year at the FIABCI-MALAYSIA, MALAYSIA PROPERTY AWARDS 2005, Paramount Property Holdings Sdn Bhd was named the winner of the Specialised Project category, an award given in recognition for setting the standard in architectural excellence based on its project, Sekolah Sri KDU, the first purpose-built private smart primary and secondary school. Leveraging on its proven track record, Paramount will continue to grow its land bank in high growth areas in the Klang Valley, Penang and Johor.

Paramount's construction division has successfully diversified into infrastructure development such as public roads and highways as well as high-rise commercial property. The division has also expanded its business operations to the Klang Valley, Pahang and Melaka.

Having established the vertical integration of the educational services division into Sekolah Sri KDU and KMDC, Paramount will continue to strengthen its position in the education sector into a hallmark of educational excellence in Malaysia.

Paramount embraces the future with a firm commitment to further growth by building on the Group's strengths and success to further expand existing core businesses in order to provide good returns on investment for shareholders and enhance revenue from business operations. Quality management, strong corporate values, business dynamism and focused core businesses will continue to steer Paramount into the future. Management will continue to evaluate the Group's performance to capitalise on its strengths and resources, and to take advantage of business opportunities in a rapidly changing market. Backed by these strategies, Paramount's competitive position will see the Group embarking on an exciting journey of unfolding challenges in the new millennium.