



LAPORAN TAHUNAN
2001
ANNUAL REPORT



ERSTIMA

PERUSAHAAN SADUR TIMAH MALAYSIA
(PERSTIMA) BERHAD (49971-D)

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Executive Directors

Hiroshi Kume (Managing Director)
Hiroshi Sumino (Deputy Managing Director)
Ab. Patah bin Mohd

Non-Executive Directors

Tan Sri Dato' Seri Jamil bin Mohd Jan
Todomu Kobayashi
Yusuf bin Tan Sri Dato' Seri Jamil

Independent Non-Executive Directors

Ng Kei Nyen
Yoshiki Sagara
Datuk Ab. Rahman bin Omar
Harun bin Ismail
Ghazali@Razali bin Ismail
Ng Tuan Hoo

Company Secretaries

Lum Chee Yeng (MAICSA 0880217)
Saw Bee Lean (MAICSA 0793472)

Registered Office

11th Floor Wisma Damansara
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

Tel : (60-3) 2557188
Fax : (60-3) 2550988

Registrars

Malaysian Share Registration Services Sdn Bhd (378993-D)
7th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Tel : (60-3) 2068099
Fax : (60-3) 2063736

Auditors

Messrs KPMG Desa Megat & Co.
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

Tel : (60-3) 2553388
Fax : (60-3) 2550971

Principal Bankers

Malayan Banking Berhad
Danaharta Urus Sdn Berhad
Bumiputra Commerce Bank Berhad
Bank Islam Malaysia Berhad

Stock Exchange Listing

Kuala Lumpur Stock Exchange (Main Board)

Audit Committee

Ng Kei Nyen (Chairman / Independent Non-Executive Director)
Yusuf bin Tan Sri Dato' Seri Jamil (Non-Executive Director)
Hiroshi Sumino (Deputy Managing Director)

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statement of Perusahaan Sadur Timah Malaysia (Perstima) Berhad, "the Company" and its subsidiaries for the year ended 31 March 2001.

Company Performance And Development

This financial year had been a special year for the Company as it marked the turning point when the Company had successfully carried out the restructuring plan during the year. The restructuring plan involved a Capital Reduction and Consolidation, Debt Restructuring, a Restricted Issue, a Rights Issue with free detachable warrants, an exemption from undertaking a mandatory offer and the transfer of the Company's entire 66.7% equity interest in Perstima Industries Sdn. Bhd. to Penang Shipbuilding & Construction Sdn. Bhd.



On behalf of the Board, I wish to express my deepest appreciation to the parties involved in our restructuring exercises for their full cooperation given to the Company during the process. The completion of the restructuring plan has placed the Company on a sound financial footing and enabled the Company to continue as a going concern and to enhance returns to shareholders in the long run.

The Company is also in the last stage of liquidating all of its subsidiary companies except Perstima Tin Plate Sdn. Bhd. in order for the Company to focus on its core business of manufacturing prime grade tinplate, which the Company knows best.

As a result, the Company has recorded a profit before taxation of RM36.559 Million for the year compared to the loss of RM12.040 Million in the last financial year despite of a reduction in its turn-over by 17.68% due to stiff competition the Company had to face from cheap imports.

Industry and Prospects

The Board expects the Company's operating environment to remain challenging and competitive. The downward revisions in the national economic growth forecast coupled with the slow-down in the global economy may directly affect the Company's performance in the coming financial year. The competition from the imported tinplate and other packaging materials which continue to make inroads in product packaging may become more intense. The full liberalization under AFTA in year 2003 will be another new challenge to the Company. However, the Company is well prepared to face those challenges by further improving its work efficiency with the support and total commitment from the Management and staff.

Acknowledgement

On behalf of the Board, I wish to express my deep appreciation to the Management and employees for their hard work and dedication and to thank our shareholders, customers and business associates for their support and confidence in us. Finally, I would also like to record my appreciation to my colleagues on the Board for their invaluable contributions and support throughout the year.

Tan Sri Dato' Seri Jamil bin Mohd Jan
Chairman

AUDIT COMMITTEE MEMBER

Ng Kei Nyen (Chairman / Independent Non-Executive Director)
Yusuf bin Tan Sri Dato' Seri Jamil (Non-Executive Director)
Hiroshi Sumino (Deputy Managing Director)

TERMS OF REFERENCE

1. OBJECTIVES

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

2. COMPOSITION

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:-

- a) the audit committee must be composed of no fewer than 3 members;
- b) a majority of the audit committee must be independent directors; and
- c) at least one member of the audit committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 2 (a) to (c) above, the vacancy must be filled within 3 months of that event.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.

3. **FUNCTIONS**

The functions of the Audit Committee are as follows:-

- a) Review the following and report the same to the Board of Directors:-
 - i) with the external auditors, the audit plan;
 - ii) with the external auditors, his evaluation of the system of internal controls;
 - iii) with the external auditor, his audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- c) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly and year-end financial statements of the company, focusing particularly on:-
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- f) To review the external auditor's management letter and management's response;
- g) To do the following where an internal audit function exists:-
 - Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;
 - Approve any appointments or termination of senior staff members of the internal audit function;
 - Inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- h) To consider the major findings of internal investigations and management's response;
 - i) To consider other areas as defined by the board.

4. RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee shall, wherever necessary and reasonable for the Company to perform of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

5. MEETINGS

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. However, at least once a year the Audit Committee shall meet with the external auditors without executive Board members present.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

ACTIVITIES DURING THE YEAR

During the financial year under review the Audit Committee's activities had primarily concentrated on assisting the Company in its proposed corporate debt restructuring and reconstruction. The proposed restructuring exercise was first initiated under the Corporate Debt Restructuring Committee and later brought to Pengurusan Danaharta Nasional Berhad.

On 9 September 1999, Special Administrators were appointed to the Company under the Pengurusan Danaharta Nasional Berhad Act 1998. The Audit Committee continued to assist in the recovery of the Company and worked with the Special Administrators Appointed on the Proposal on the Company.

On 8 September 2000, the Special Administrators Appointed were discharged from the Company. The Audit Committee then undertook the task of assisting the Company in completing the remaining stages of the Special Administrators' Proposal on the Company.

Notwithstanding the period under Special Administrators Appointed during the financial year under review, the Audit Committee still managed to act in meeting its responsibilities related to the accounting and reporting practices of the Company in addition to the Committee's participation in the restructuring exercise.

Therefore, it should be noted that the Audit Committee was constrained in its priority to assist the Company to timely execute and implement the Special Administrators' Proposal on the Company and could only meet by circular on three occasions, which were, after the completion of the first, second and third financial quarters of the financial year under review.

On 21 May 2001, the Audit Committee met to review the Company's fourth quarter results as well as to discuss and recommend to the Board of Directors to approve the Audited Financial Statements of the Company and Directors' Report in respect of the financial year ended 31 March 2001.

With the recovery of the Company and the normalization of its operation, the Audit Committee foresees that its future function and activities will return to the mainstream as fully described under the Terms of Reference for the Audit Committee in line with the Malaysian Code on Corporate Governance and the revamped Kuala Lumpur Stock Exchange Listing Requirements.

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of those relating to the manufacturing and sale of tinplates. There have been no significant changes in the nature of these activities during the financial year. As stated in Note 3 to the financial statements, except for Perstim Industries Sdn. Bhd. (formerly known as Perstima Industries Sdn. Bhd.), all the other subsidiaries are either dormant or have ceased operations.

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	32,823	69,086

SIGNIFICANT EVENT DURING THE YEAR

During the year, the Company completed its Restructuring Scheme as follows:

- a) Capital reduction of the issued and paid-up share capital of RM119,896,125 comprising 119,896,125 ordinary shares of RM1.00 each to RM11,989,612 comprising 119,896,125 ordinary shares of RM0.10 each by the cancellation of RM0.90 of the par value of each ordinary share and consolidation of every ten (10) of the resultant ordinary shares of RM0.10 each into one (1) ordinary share of RM1.00 each and the share premium account amounting to RM17,115,770 was set off against accumulated losses;
- b) Debt restructuring of the amounts due to a secured creditor and unsecured creditors;
- c) Rights issue of 35,968,836 new ordinary shares at an issue price of RM1.00 each together with 11,989,612 detachable free warrants on the basis of three (3) new ordinary shares with one (1) detachable warrant for every one (1) existing ordinary share held in the Company;
- d) Restricted issue of 40,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per new ordinary share to Versalite Sdn. Bhd. for an aggregate cash subscription of RM40,000,000 after the above capital reduction, debts restructuring and rights issue and exemption for Versalite Sdn. Bhd. from undertaking a mandatory offer;
- e) Transfer of 66,700 ordinary shares of RM1.00 each representing 66.7% equity interest in Perstim Industries Sdn. Bhd. (formerly known as Perstima Industries Sdn. Bhd.) to Penang Shipbuilding & Construction Sdn. Bhd., a wholly owned subsidiary of PSC Industries Berhad, for a cash consideration of RM10 million.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review, except as disclosed in statements of changes in equity.

DIRECTORS

Directors who served since the date of the last report are:-

Mr. Hiroshi Kume
 Mr. Todomu Kobayashi
 En. Ab. Patah bin Mohd
 Mr. Hiroshi Sumino
 Mr. Ng Kei Nyen
 En. Yusuf bin Tan Sri Dato' Seri Jamil
 Tan Sri Dato' Seri Jamil bin Mohd Jan (appointed on 19 May 2000)
 Mr. Yoshiki Sagara (resigned as alternate director to Mr. Hirotoishi Yokote;
 appointed on 15 February 2001)
 Mr. Tatsuji Togawa (resigned on 29 August 2000)
 Mr. Kaoru Yonemoto (resigned on 29 August 2000)
 Mr. Hirotoishi Yokote (resigned on 15 February 2001)
 Mr. Masahito Nagata (alternate director to Mr. Kaoru Yonemoto; resigned on 29 August 2000)
 Mr. Koji Nagai (alternate director to Mr. Todomu Kobayashi; resigned on 15 February 2001)

In accordance with the revamped Kuala Lumpur Stock Exchange Listing Requirement, Mr. Hiroshi Kume, En. Ab. Patah bin Mohd, Mr. Hiroshi Sumino and Mr. Ng Kei Nyen retire by rotation from the Board at the Annual General Meeting and being eligible, offer themselves for re-election except for Mr. Ng Kei Nyen who has expressed his intention not to seek re-election.

In accordance with the Articles of Association of the Company, Mr. Yoshiki Sagara who was appointed since the last Annual General Meeting, retires from the Board at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Tan Sri Dato' Seri Jamil bin Mohd Jan who was appointed at the last Annual General Meeting, retires pursuant to Section 129(2) of the Companies Act, 1965, having attained the age of over 70 years. The Board recommends he be re-elected in accordance with Section 129(6) of the said Act.

DIRECTORS' INTEREST

The holdings and deemed holdings in the ordinary shares of the Company and its related companies of those who were directors at year end are as follows:-

- i) Shares registered in the name of directors

		Number of ordinary shares of RM1.00 each			
Name of Directors	Interest	Balance at 1.4.2000	Addition	Disposal	Balance at 31.3.2001
Holding Company					
- Versalite Sdn. Bhd.					
Tan Sri Dato' Seri Jamil bin Mohd Jan					
	Direct	25,001	—	—	25,001
Mr. Hiroshi Kume					
	Direct	24,999	—	—	24,999

Name of Directors	Interest	Number of ordinary shares of RM1.00 each				Balance at 31.3.2001
		Balance at 1.4.2000	Capital reduction	Addition	Disposal	
<i>The Company</i>						
Tan Sri Dato' Seri Jamil bin Mohd Jan	Indirect	13,173,000	11,855,700	50,176,732	7,000,000	44,494,032
Mr. Hiroshi Kume	Indirect	13,173,000	11,855,700	50,176,732	7,000,000	44,494,032
En. Ab. Patah bin Mohd	Direct	1,000	900	—	—	100

ii) Warrants registered in the name of directors

Name of Directors	Interest	Number of warrants			Balance at 31.3.2001
		Balance at 1.4.2000	Addition	Disposal	
<i>The Company</i>					
Tan Sri Dato' Seri Jamil bin Mohd Jan	Indirect	—	3,393,512	—	3,393,512
Mr. Hiroshi Kume	Indirect	—	3,393,512	—	3,393,512

Tan Sri Dato' Seri Jamil bin Mohd Jan and Mr. Hiroshi Kume by virtue of their substantial shareholdings in the holding company are deemed to have interests in the shares of the Company and its related companies.

None of the other directors holding office at end of the financial year had any interest in the ordinary shares of the Company or its related companies during the year.

DIRECTORS' BENEFIT

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate apart from the entitlements to subscribe for new ordinary shares as warrant holders.

ISSUE OF SHARES

During the financial year, the movement of the Company's issued and paid up capital under the Restructuring Scheme are as follows:-

- a) Capital reduction of the issued and paid-up share capital of RM119,896,125 comprising 119,896,125 ordinary shares of RM1.00 each to RM11,989,612 comprising 119,896,125 ordinary shares of RM0.10 each by the cancellation of RM0.90 of the par value of each ordinary share and consolidation of every ten (10) of the resultant ordinary shares of RM0.10 each into one (1) ordinary share of RM1.00 each;
- b) a rights issue of 35,968,836 new ordinary shares at an issue price of RM1.00 each together with 11,989,612 detachable free warrants on the basis of three (3) new ordinary shares with one (1) detachable warrant for every one (1) existing ordinary share held in the Company for the purpose of repayment of borrowings; and
- c) a restricted issue of 40,000,000 new ordinary shares of RM1.00 each at par for the purpose of repayment of borrowings.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take up any unissued shares and debentures of the Company during the financial year apart from the entitlements to subscribe for new ordinary shares as warrant holders.

Warrants

During the year, the Company issued 11,989,612 detachable free warrants together with a renounceable rights issue of 35,968,836 new ordinary shares of RM1.00 each. The warrants are in registered form and constituted by a deed poll and the registered holders are entitled to subscribe for one (1) new ordinary share of RM1.00 each in the Company at an exercise price of RM1.00 per share within a period of five (5) years expiring on 16 November 2005. At the end of the year, all the warrants remained unexercised.

Employees' Share Option Scheme

The Company's Employees' Share Option Scheme was implemented on 22 December 1994 and expired on 12 May 2000.

The outstanding options totalling 130,000 as at 1 April 2000 remained unexercised during the year and lapsed on 12 May 2000.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that:-

- i) all bad debts have been written off and adequate provision has been made for doubtful debts; and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the directors are not aware of any circumstances:-

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, other than the exceptional items as disclosed in the income statement, the results of the operations of the Group and of the Company for the year ended 31 March 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

Messrs KPMG Desa Megat & Co will retire as auditors of the Company at the forthcoming Annual General Meeting and Messrs KPMG have been nominated to act as auditors.

Signed in accordance with a resolution of the directors:

Tan Sri Dato' Seri Jamil bin Mohd Jan
Director

Hiroshi Kume
Director

Johor Bahru,

Date: 8 June 2001



**STATEMENT BY DIRECTORS PURSUANT TO
SECTION 169(15) OF THE COMPANIES ACT, 1965**

In the opinion of the directors, the financial statements set out on pages 17 to 36, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 March 2001 and of the results of their operations and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors:

Tan Sri Dato' Seri Jamil bin Mohd Jan
Director

Hiroshi Kume
Director

Johor Bahru,

Date: 8 June 2001



**DECLARATION PURSUANT TO
SECTION 169(16) OF THE COMPANIES ACT, 1965**

I, Hiroshi Sumino, being the director primarily responsible for the financial management of PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 17 to 36 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Hiroshi Sumino at Johor Bahru in
the State of Johor this 8 day of June 2001.

Hiroshi Sumino

BEFORE ME:

No. 24, Jalan D'Almeida,
80000 Johor Bahru.

We have audited the financial statements set out on pages 17 to 36. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 March 2001 and of the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company: and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary that has been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG DESA MEGAT & CO.

Firm Number: AF 0759

Public Accountants

NG KIM TUCK

Partner

Approval Number: 1150/03/02(J/PH)

Johor Bahru,

Date: 8 June 2001

Auditors'

Balance Sheets

At 31 March 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property, plant and equipment	2	83,046	82,735	83,046	82,681
Investment in subsidiaries	3	--	--	--	--
Investment in an associate	4	--	144,614	--	--
Other investment		--	65	--	65
Deferred expenditure	5	--	79	--	--
		<u>83,046</u>	<u>227,493</u>	<u>83,046</u>	<u>82,746</u>
Current assets					
Inventories	6	47,606	40,694	47,606	40,694
Trade and other receivables	7	32,759	67,648	32,764	56,226
Cash and cash equivalents	8	21,675	17,150	21,675	17,077
		<u>102,040</u>	<u>125,492</u>	<u>102,045</u>	<u>113,997</u>
Current liabilities					
Trade and other payables	9	14,482	103,094	14,481	65,404
Borrowings	10	49,176	243,037	49,176	161,889
Taxation		8,316	8,810	8,316	8,810
		<u>71,974</u>	<u>354,941</u>	<u>71,973</u>	<u>236,103</u>
Net current assets/(liabilities)		<u>30,066</u>	<u>(229,449)</u>	<u>30,072</u>	<u>(122,106)</u>
		<u>113,112</u>	<u>(1,956)</u>	<u>113,118</u>	<u>(39,360)</u>
Financed by:-					
Capital and reserves					
Share capital	11	87,958	119,896	87,958	119,896
Reserves	12	6,941	(133,789)	6,947	(170,046)
		<u>94,899</u>	<u>(13,893)</u>	<u>94,905</u>	<u>(50,150)</u>
Long term liabilities					
Borrowings	10	6,903	--	6,903	--
Deferred taxation	13	11,310	11,937	11,310	10,790
		<u>18,213</u>	<u>11,937</u>	<u>18,213</u>	<u>10,790</u>
		<u>113,112</u>	<u>(1,956)</u>	<u>113,118</u>	<u>(39,360)</u>

The accompanying notes form an integral part of the financial statements.

Income Statements

For The Financial Year Ended 31 March 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue					
Sale of goods		302,505	367,494	302,505	367,494
Cost of sales		(271,997)	(330,726)	(271,997)	(330,726)
Gross profit		30,508	36,768	30,508	36,768
Distribution expenses		(4,443)	(3,627)	(4,443)	(3,627)
Administration expenses		(4,632)	(3,775)	(4,549)	(3,701)
Other operating expenses		(2,083)	(1,268)	(2,075)	(1,268)
Other operating income		2,291	1,328	2,291	1,328
Operating profit	14	21,641	29,426	21,732	29,500
Finance costs	15	(3,206)	(14,333)	(3,206)	(9,841)
		18,435	15,093	18,526	19,659
Share of profit of an associate		--	37,424	--	--
Profit before exceptional items		18,435	52,517	18,526	19,659
Exceptional items	16	18,124	(27,133)	54,296	(27,133)
Profit/(Loss) after exceptional items but before taxation		36,559	25,384	72,822	(7,474)
Taxation	17	(3,736)	(5,194)	(3,736)	(5,194)
Net profit/(loss) for the year		32,823	20,190	69,086	(12,668)
Basic earnings per ordinary share (sen)	18	65	168		
Diluted earnings per ordinary share (sen)	18	61	--		

The accompanying notes form an integral part of the financial statements.

Statement of Changes In Equity

For The Financial Year Ended 31 March 2001

	Share capital RM'000	Share premium RM'000	Capital reserves RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000
Group					
At 1 April 1999	119,896	17,115	2,766	(173,860)	(34,083)
Net profit for the year	--	--	--	20,190	20,190
At 31 March 2000	119,896	17,115	2,766	(153,670)	(13,893)
Rights issue	35,969	--	--	--	35,969
Restricted issue	40,000	--	--	--	40,000
Capital reduction	(107,907)	(17,115)	--	125,022	--
Net profit for the year	--	--	--	32,823	32,823
At 31 March 2001	87,958	--	2,766	4,175	94,899
Company					
At 1 April 1999	119,896	17,115	2,766	(177,259)	(37,482)
Net loss for the year	--	--	--	(12,668)	(12,668)
At 31 March 2000	119,896	17,115	2,766	(189,927)	(50,150)
Rights issue	35,969	--	--	--	35,969
Restricted issue	40,000	--	--	--	40,000
Capital reduction	(107,907)	(17,115)	--	125,022	--
Net profit for the year	--	--	--	69,086	69,086
At 31 March 2001	87,958	--	2,766	4,181	94,905

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

For The Financial Year Ended 31 March 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash flows from operating activities				
Profit/(loss) after exceptional items but before tax	36,559	25,384	72,822	(7,474)
Adjustments for:-				
Exceptional items	(18,124)	27,133	(54,296)	27,133
Share of an associate's profit	--	(37,424)	--	--
Deferred expenditure written off	79	--	--	--
Interest expenses	3,078	14,206	3,078	9,719
Interest income	(1,161)	(509)	(1,161)	(509)
Bad debts written off	--	105	--	105
Provision for doubtful debts	1,205	658	1,205	658
Depreciation of property, plant and equipment	10,599	12,867	10,599	12,822
Property, plant and equipment written off	--	290	--	290
Gain on disposal of property, plant and equipment	(129)	--	(129)	--
Reversal of provision for slow-moving inventories	(973)	--	(973)	--
Operating profit before working capital changes	31,133	42,710	31,145	42,744
Changes in working capital:				
Inventories	(5,939)	7,837	(5,939)	7,837
Trade and other receivables	4,036	11,861	4,085	11,760
Trade and other payables	(3,308)	7,838	(3,307)	13,600
Cash generated from operations	25,922	70,246	25,984	75,941
Interest paid	(3,078)	(3,919)	(3,078)	(9,719)
Tax paid	(3,710)	--	(3,710)	--
Deferred expenditure	--	(4)	--	--
Interest received	1,161	509	1,161	509
Net cash (used in)/generated from operating activities	20,295	66,832	20,357	66,731

The accompanying notes form an integral part of the financial statements.

		Group		Company	
	Note	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment		(10,965)	(3,346)	(10,965)	(3,246)
Disposal of a subsidiary	19	9,989	--	10,000	-
Deposit forfeiture on disposal of a subsidiary		500	--	500	--
Proceeds on disposal of property, plant and equipment		130	--	130	--
Net cash generated from/ (used in) investing activities		(346)	(3,346)	(335)	(3,246)
Cash flows from financing activities					
Repayment of secured revolving credits including interests		(100,000)	--	(100,000)	--
Proceed/(Repayment) of short term borrowings		17,279	(27,925)	17,279	(27,925)
Repayment of term loan		(8,629)	--	(8,629)	--
Settlement of corporate guarantee		--	(21,387)	--	(21,387)
(Payment)/Financing of hire purchase		(15)	(3)	(15)	15
Proceeds from issue of shares		75,969	--	75,969	--
Net cash generated from/ (used in) financing activities		(15,396)	(49,315)	(15,396)	(49,297)
Net increase in cash and cash equivalents		4,553	14,171	4,626	14,188
Cash and cash equivalents at beginning of year		17,122	2,951	17,049	2,861
Cash and cash equivalents at end of year		21,675	17,122	21,675	17,049
Cash and cash equivalents comprise:					
Cash and bank balances		2,717	1,966	2,717	1,894
Short term deposits with licensed banks		18,958	15,184	18,958	15,183
Bank overdraft		--	(28)	--	(28)
		21,675	17,122	21,675	17,049

The accompanying note form an integral part of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention modified by the revaluation of certain property, plant and equipment and in compliance with applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

i) Subsidiaries

Subsidiaries are those enterprise controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

All intra group transactions and balances are eliminated on consolidation.

ii) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates.

Goodwill on acquisition is calculated based on the fair value of net assets acquired.

(c) Property, plant and equipment

i) Owned assets

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses.

It is the Group's policy to state its property, plant and equipment at cost. Revaluation of long leasehold land and buildings in 1992 were carried out primarily for the purpose of listing then and was not intended to effect a change in the accounting policy to one of revaluation of properties. Hence, in accordance with the transitional provisions of MASB Approved Accounting Standard IAS 16: Property, Plant And Equipment, the valuation in 1992 need not be updated.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it will be charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

ii) Depreciation

Long leasehold land is amortised in equal instalments over the period of respective leases which range from sixty to ninety-nine years while buildings are depreciated on a straight line basis over 15 to 25 years. Other property, plant and equipment are depreciated on a straight line basis so as to write off the cost of the property, plant and equipment over their estimated useful lives as follows:-

Plant and machinery	15 years
Furniture, fittings and equipment and motor vehicles	5 years

(d) Investments

Investments in subsidiaries, associates and other investments are stated at cost less provision for any permanent diminution in the value.

(e) Deferred expenditure

Deferred expenditure is stated at cost and was fully written off to the income statement during the financial year.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress include direct materials, direct labour and appropriate proportions of production overheads.

(g) Trade and other receivables

Receivables are carried at anticipated realisable value. Bad debts are written off or specifically provided for in the year in which they are identified as bad or doubtful. An estimate is made for doubtful debts based on a review of outstanding amounts at the year end.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(i) Deferred taxation

Deferred taxation is provided under the liability method for all material timing differences except where no liability is expected to arise in the foreseeable future and there are no indications they will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(j) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rate used in translation is as follows:-

	<u>2001</u>	<u>2000</u>
	RM	RM
1 US Dollar	<u>3.80</u>	<u>3.80</u>

(k) Revenue recognition

Sale of goods

Revenue is recognised upon delivery of goods and customer acceptance and is shown net of returns and sales rebates.

2. PROPERTY, PLANT AND EQUIPMENT

	Long leasehold land RM'000	Long leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Construction -in -progress RM'000	Total RM'000
Group						
Cost/Valuation						
At 1 April 2000	10,467	22,872	166,756	9,418	1,188	210,701
Additions	--	--	2,646	1,292	7,027	10,965
Transfer	--	--	8,064	29	(8,093)	--
Disposal	--	--	--	(713)	--	(713)
Written off	--	--	--	(11)	--	(11)
At 31 March 2001	10,467	22,872	177,466	10,015	122	220,942
Representing items at:						
Cost	--	5,684	177,466	10,015	122	193,287
Directors' valuation	10,467	17,188	--	--	--	27,655
	10,467	22,872	177,466	10,015	122	220,942
Depreciation						
At 1 April 2000	1,632	7,788	111,143	7,403	--	127,966
Charge for the year	204	1,154	8,227	1,014	--	10,599
Disposal	--	--	--	(658)	--	(658)
Written off	--	--	--	(11)	--	(11)
At 31 March 2001	1,836	8,942	119,370	7,748	--	137,896
Net book value						
At 31 March 2001	8,631	13,930	58,096	2,267	122	83,046
At 31 March 2000	8,835	15,084	55,613	2,015	1,188	82,735
Depreciation charge for the year ended 31 March 2000	204	1,152	10,262	1,249	--	12,867

	Long leasehold land RM'000	Long leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Construction -in -progress RM'000	Total RM'000
Company						
Cost/Valuation						
At 1 April 2000	10,467	22,872	166,756	9,175	1,188	210,458
Additions	--	--	2,646	1,292	7,027	10,965
Transfer	--	--	8,064	29	(8,093)	--
Disposal	--	--	--	(470)	--	(470)
Written off	--	--	--	(11)	--	(11)
At 31 March 2001	<u>10,467</u>	<u>22,872</u>	<u>177,466</u>	<u>10,015</u>	<u>122</u>	<u>220,942</u>
Representing items at:						
Cost	--	5,684	177,466	10,015	122	193,287
Directors' valuation	<u>10,467</u>	<u>17,188</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>27,655</u>
	<u>10,467</u>	<u>22,872</u>	<u>177,466</u>	<u>10,015</u>	<u>122</u>	<u>220,942</u>
Depreciation						
At 1 April 2000	1,632	7,788	111,143	7,214	--	127,777
Charge for the year	204	1,154	8,227	1,014	--	10,599
Disposal	--	--	--	(469)	--	(469)
Written off	--	--	--	(11)	--	(11)
At 31 March 2001	<u>1,836</u>	<u>8,942</u>	<u>119,370</u>	<u>7,748</u>	<u>--</u>	<u>137,896</u>
Net book value						
At 31 March 2001	<u>8,631</u>	<u>13,930</u>	<u>58,096</u>	<u>2,267</u>	<u>122</u>	<u>83,046</u>
At 31 March 2000	<u>8,835</u>	<u>15,084</u>	<u>55,613</u>	<u>1,961</u>	<u>1,188</u>	<u>82,681</u>
Depreciation charge for the year ended 31 March 2000	<u>204</u>	<u>1,152</u>	<u>10,262</u>	<u>1,204</u>	<u>--</u>	<u>12,822</u>

Revaluation

The long leasehold land and factory buildings were revalued by the directors in April 1992 based on a professional valuation in June 1991 on the open market value basis and as approved by the relevant government authorities.

Had the long leasehold land and factory buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year is as follows:-

	2001 RM'000	2000 RM'000
Cost	22,216	22,216
Less: Accumulated depreciation	(11,711)	(10,872)
Net book value	10,505	11,344

Security

The property, plant and equipment have been charged to a bank to secure banking facilities as disclosed in Note 10.

Others

The gross amount of assets fully depreciated but still in use amounted to RM52,188,000 (2000: RM49,890,000).

3. INVESTMENT IN SUBSIDIARIES

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	--	442
Less: Provision for diminution in value	--	(442)
	--	--

The subsidiaries, all incorporated in Malaysia, are as follows:-

Name of Company	Principal Activities	Effective Interest	
		2001 %	2000 %
Perstima Tin Plate Sdn Bhd	Dormant	100	100
Perstima Fisheries Sdn Bhd	In creditors' voluntary liquidation	—	100
Perstima Constellation Sdn Bhd	In creditors' voluntary liquidation	—	100
Perstima Ventures Sdn Bhd	In creditors' voluntary liquidation	—	100
Perstima Maritime Sdn Bhd	In creditors' voluntary liquidation	—	100
Perstima Enterprise Sdn Bhd	In creditors' voluntary liquidation	—	100
Perstima Trading Sdn Bhd	In creditors' voluntary liquidation	—	100
Perstim Industries Sdn. Bhd. (formerly known as Perstima Industries Sdn Bhd)*	Investment holding	—	66.7

* The company was disposed off during the year and was not consolidated up to the date of disposal in the Group financial statements as the effect is immaterial to the Group.

4. INVESTMENT IN AN ASSOCIATE

	Group	
	2001	2000
	RM'000	RM'000
Group's share of net assets	--	84,212
Goodwill arising on acquisition	--	60,402
	<u>--</u>	<u>144,614</u>

During the year, the Group disposed its associate, PSC-Naval Dockyard Sdn. Bhd., a company incorporated in Malaysia, in which the Group held an effective equity interest of 30%. The principal activities of the associate was fabrication of steel structures and shipbuilding, repair and maintenance of naval and merchant ships.

There is no equity accounting on the share of profits in associate up to the date of disposal as the financial statement of associate was not available. The non equity accounting of the associate has no impact to the Group results.

5. DEFERRED EXPENDITURE

	Group	
	2001	2000
	RM'000	RM'000
Deferred expenditure, at cost	79	1,974
Addition during the year	--	4
	<u>79</u>	<u>1,978</u>
Less: Written off/Accumulated amortisation	(79)	(1,899)
	<u>--</u>	<u>79</u>

6. INVENTORIES

	Group/Company	
	2001	2000
	RM'000	RM'000
Finished goods	22,759	16,482
Work-in-progress	1,586	1,796
Raw materials	20,781	18,039
Consumables	2,480	4,377
	<u>47,606</u>	<u>40,694</u>

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Trade receivables	34,609	36,766	34,609	36,736
Provision for doubtful debts	(4,070)	(2,883)	(4,070)	(2,853)
	30,539	33,883	30,539	33,883
Other receivables	2,220	189,543	2,220	91,892
Provision for doubtful debts	--	(155,778)	--	(69,549)
	2,220	33,765	2,220	22,343
Due from subsidiary	--	--	5	77
Provision for doubtful debts	--	--	--	(77)
	--	--	5	--
	<u>32,759</u>	<u>67,648</u>	<u>32,764</u>	<u>56,226</u>

The amount due from a subsidiary is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

Included in the net other receivables in prior year are the following:-

Group

7.1 Interest receivable totalling RM11,406,000 due from a former subsidiary.

Group/Company

7.2 Interest receivable totalling RM20,285,000 due from a former subsidiary and was set-off against other payables during the year (see Note 9 below).

8. CASH AND CASH EQUIVALENTS

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,717	1,966	2,717	1,894
Short term deposits with licensed banks	18,958	15,184	18,958	15,183
	<u>21,675</u>	<u>17,150</u>	<u>21,675</u>	<u>17,077</u>

9. TRADE AND OTHER PAYABLES

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Trade payables	2,701	2,974	2,701	2,971
Other payables	11,781	100,120	11,780	62,433
	<u>14,482</u>	<u>103,094</u>	<u>14,481</u>	<u>65,404</u>

Included in other payables in prior year are the following:-

Group

9.1 Suspended interest income receivable totalling RM11,406,000 due from a former subsidiary.

Group/Company

9.2 Suspended interest income receivable totalling RM20,285,000 due from a former subsidiary and was reversed out during the year (see Note 7 above).

10. BORROWINGS

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Current (secured)				
Term loans	1,726	81,136	1,726	--
Bankers' acceptances	47,450	--	47,450	--
Revolving credits	--	79,900	--	79,900
Hire purchase	--	27	--	15
	<u>49,176</u>	<u>161,063</u>	<u>49,176</u>	<u>79,915</u>
Current (unsecured)				
Bank overdraft	--	28	--	28
Bankers' acceptances	--	61,946	--	61,946
Revolving credits	--	20,000	--	20,000
	<u>--</u>	<u>81,974</u>	<u>--</u>	<u>81,974</u>
	<u>49,176</u>	<u>243,037</u>	<u>49,176</u>	<u>161,889</u>
Non-current (secured)				
Term loans	6,903	--	6,903	--
	<u>56,079</u>	<u>243,037</u>	<u>56,079</u>	<u>161,889</u>

Pursuant to the restructuring scheme, the secured revolving credits amounted to RM79,900,000 in prior year was fully repaid from the proceeds of the rights issue and restricted issue. The unsecured bankers' acceptance and revolving credits totalling RM81,946,000 in prior year was restructured during the year (see Note 16). The secured term loan in prior year was in respect of a term loan of a subsidiary disposed off during the year.

The new term loans and bankers' acceptances are secured by way of fixed charges over the Company's long leasehold land and buildings and a debenture over the Company's current and future fixed and floating assets.

These term loans are repayable annually up to 2005 and bears interest at 7% (2000: NIL) per annum. The bankers' acceptances and revolving credits bear interest at 3.2% to 4.1% (2000: 3% to 14.5%) per annum.

11. SHARE CAPITAL

	Group/Company	
	2001	2000
	RM'000	RM'000
Authorised		
200,000,000 ordinary shares of RM1.00 each	200,000	200,000
Issued and fully paid		
At 1 April		
- 119,896,125 ordinary shares of RM1.00 each	119,896	119,896
Capital reduction of RM0.90 of the par value of each existing ordinary share of RM1.00 each	(107,907)	--
Consolidation of ten (10) resultant ordinary shares of RM0.10 each into one (1) ordinary share of RM1.00 each	11,989	--
Rights issue of three (3) new ordinary shares for every one (1) ordinary share of RM1.00 each	35,969	--
Restricted issue of 40,000,000 ordinary shares of RM1.00 each	40,000	--
At 31 March	87,958	119,896

The Company also issued 11,989,612 detachable free warrants to its shareholders on 17 November 2000 in conjunction with its rights issue of 35,968,836 ordinary shares. The warrants were issued on the basis of one warrant for every 3 new ordinary shares issued. The warrants are in registered form and constituted by a Deed Poll and the registered holders are entitled to subscribe for one (1) new ordinary share of RM1.00 in the Company at a price of RM1.00 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid Deed Poll and can be exercised within the period commencing one (1) day after the date of the second anniversary of the issue of the warrants and ending on 16 November 2005. At the end of the year, all the warrants remained unexercised.

12. RESERVES

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Distributable				
Retained profits	4,175	(153,670)	4,181	(189,927)
Non-distributable				
Share premium	--	17,115	--	17,115
Revaluation reserves	2,766	2,766	2,766	2,766
	6,941	(133,789)	6,947	(170,046)

Deferred taxation arising from the revaluation amounting to RM138,000 has not been provided for as the properties are held for long term purposes.

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax exempt account and Section 108 tax credit to frank dividend out of its retained profits at 31 March 2001 respectively.

13. DEFERRED TAXATION

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
At 1 April	11,937	13,730	10,790	12,583
Liquidation of a subsidiary	(1,147)	--	--	--
Transfer from/(to) income statement	520	(1,793)	520	(1,793)
At 31 March	11,310	11,937	11,310	10,790

14. OPERATING PROFIT

Operating profit is arrived at:

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
After charging:-				
Directors' emoluments	764	447	764	447
Auditors' remuneration				
- Current year provision	42	44	41	35
- Underprovision in prior year	--	(2)	--	--
Bad debts written off	--	105	--	105
Depreciation of property, plant and equipment	10,599	12,867	10,599	12,822
Property, plant and equipment written off	--	290	--	290
Rental of premises	118	106	118	106
Provision for doubtful debts				
- Trade and other debts	1,205	658	1,205	658
Deferred expenditure written off	79	--	--	--
and crediting:-				
Hostel rental income	32	57	32	57
Interest income from				
- Short term deposits	945	--	945	--
- Others	216	509	216	509
Gain on disposal of property, plant and equipment	129	--	129	--
Reversal of provision for slow-moving inventories	973	--	973	--

The estimated monetary value of benefits-in-kind receivable by the directors is RM30,000 (1999: RM43,000).

Total number of employees at the end of the year and total staff costs for the year of the Group and Company is 253 (2000: 267) and RM9,310,768 (2000: RM9,904,598) respectively.

15. FINANCE COSTS

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Interest payable				
- Bankers' acceptances	1,885	2,886	1,885	2,886
- Term loan	689	4,487	689	--
- Revolving credit	272	6,833	272	6,833
- Others	232	--	232	--
	<u>3,078</u>	<u>14,206</u>	<u>3,078</u>	<u>9,719</u>
Other finance costs	128	127	128	122
	<u>3,206</u>	<u>14,333</u>	<u>3,206</u>	<u>9,841</u>

16. EXCEPTIONAL ITEMS

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Waiver of borrowings pursuant to the restructuring scheme	41,746	--	41,746	--
Gain on disposal of a subsidiary	17,522	--	10,000	--
Deposit forfeiture on disposal of a subsidiary	500	--	500	--
Loss on disposal of an associate	(51,657)	--	--	--
Reversal of losses in subsidiaries liquidated	7,963	--	--	--
Bad debts recovered	2,050	--	2,050	--
Settlement of revolving credit claim not previously accounted for	--	(5,746)	--	(5,746)
Settlement of corporate guarantee liability	--	(21,387)	--	(21,387)
	<u>18,124</u>	<u>(27,133)</u>	<u>54,296</u>	<u>(27,133)</u>

17. TAXATION

	Group/Company	
	2001	2000
	RM'000	RM'000
Income tax expense	3,216	6,987
Deferred tax expense		
Current year	253	(1,793)
Overprovision in prior year	267	--
	<u>3,736</u>	<u>5,194</u>

The current and prior years' effective tax rate of the Group and of the Company is lower than the statutory tax rate due to utilisation of reinvestment allowances incentives.

18. EARNINGS PER ORDINARY SHARE-GROUP

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM32,823,000 (2000: RM20,190,000) and the weighted average number of ordinary shares during the year of 50,620,000 (2000: 11,989,613).

The basic earnings per share as reported in the previous financial year has been adjusted to reflect the capital reduction.

Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM32,823,000 (2000: NIL) and the weighted average number of ordinary shares during the year of 53,513,000 (2000: NIL) after adjusting for effects of all dilutive potential ordinary shares.

The proceeds from the assumed conversion of outstanding warrants are deemed to have been received at fair value. The difference between the number of warrants issued and the number of warrants that would have been issued at their fair value is treated as an issue of incremental shares for no consideration.

Weighted average number of ordinary shares (diluted)

	2001 RM'000	2000 RM'000
Weighted average number of ordinary shares (basic)	50,620	--
Effects of incremental shares on conversion of outstanding warrants	2,893	--
Weighted average number of ordinary shares (diluted)	<u>53,513</u>	<u>--</u>

19. DISPOSAL OF A SUBSIDIARY

	2001 RM'000
Property, plant and equipment	54
Investment in associate	92,957
Other receivables	11
Cash and cash equivalents	11
Other payables	(9,407)
Due to holding company	(10,000)
Term loan (secured)	(81,136)
Hire purchase creditors	(12)
Net tangible liabilities	<u>(7,522)</u>
Exceptional gain on disposal of a subsidiary	17,522
Total consideration	10,000
Less: Cash and cash equivalents	<u>(11)</u>
Cash flow on disposal	<u>9,989</u>

20. HOLDING COMPANY

The holding company is Versalite Sdn. Bhd., a company incorporated in Malaysia.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group and of the Company other than those disclosed elsewhere in the financial statements are as follows:-

	2001 RM'000	2000 RM'000
Subsidiary		
- Perstim Industries Sdn. Bhd. (formerly known as Perstima Industries Sdn. Bhd.)		
Settlement of a subsidiary's loan	--	10,000
Shareholder		
- Kawasho Corporation		
Purchases of raw materials	91,417	109,516
Purchases of property, plant and equipment and consumables	9,575	1,058

The directors are of the opinion that the above transactions have been entered into in the normal course of business and the terms have been established on a negotiated basis.

22. CAPITAL COMMITMENT

	2001 RM'000	2000 RM'000
Approved and contracted for	--	5,224

23. SEGMENTAL REPORTING

Segmental reporting is not disclosed as required by Malaysian Accounting Standards Board No. 22 on reporting by segment as the Group operates predominantly in Malaysia manufacturing and selling tinplates.

24. SIGNIFICANT EVENTS

During the year, the Company completed its Restructuring Scheme as follows:

- a) Capital reduction of the issued and paid-up share capital of RM119,896,125 comprising 119,896,125 ordinary shares of RM1.00 each to RM11,989,612 comprising 119,896,125 ordinary shares of RM0.10 each by the cancellation of RM0.90 of the par value of each ordinary share and consolidation of every ten (10) of the resultant ordinary shares of RM0.10 each into one (1) ordinary share of RM1.00 each and the share premium account amounting to RM17,115,770 was set off against accumulated losses;
- b) Debt restructuring of the amounts due to secured creditor and unsecured creditors;
- c) Rights issue of 35,968,836 new ordinary shares at an issue price of RM1.00 each together with 11,989,612 detachable free warrants on the basis of three (3) new ordinary shares with one (1) detachable warrant for every one (1) existing ordinary share held in the Company;
- d) Restricted issue of 40,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per new ordinary share to Versalite Sdn. Bhd. for an aggregate cash subscription of RM40,000,000 after the above capital reduction, debts restructuring and rights issue; and exemption from undertaking a mandatory offer.
- e) Transfer of 66,700 ordinary shares of RM1.00 each representing 66.7% equity interest in Perstim Industries Sdn. Bhd. (formerly known as Perstima Industries Sdn. Bhd.) to Penang Shipbuilding & Construction Sdn. Bhd., a wholly owned subsidiary of PSC Industries Berhad, for a cash consideration of RM10 million.

25. COMPARATIVE FIGURES

Following the adoption of MASB Standards in the preparation of this set of financial statements, the presentation and classification of certain items in the financial statements have been amended.

Accordingly, comparative amounts for those items have been reclassified to ensure comparability with the current financial year.

Directors' Profile

The profiles of the Directors of Perstima are as follows:

Tan Sri Dato' Seri Jamil bin Mohd Jan, a Malaysian nationality aged 71 years, was first appointed to the Board of Directors of Perstima in 19 May 2000 as Non-Executive Director and Chairman until to-date. He graduated with a Bachelor of Arts (Hons) in Economics from University Malaya, Singapore and also attended the AMP program at Harvard University, USA.

He served in the Malaysian Civil Service for 28 years at various Ministries and his last position was Chairman of Malaysian Industrial Development Authority (MIDA). He was responsible for establishment of Heavy Industries Corporation of Malaysia (HICOM) Berhad and its groups of companies and served as CEO from 1981 until retirement in 1995.

Currently he is the Chairman of the Investment Panel of Lembaga Tabung Angkatan Tentera (LTAT) and Board Member of Hong Leong Foundation.

He is deemed to have interest in Versalite's shareholdings in Perstima by virtue of his 50.01% shareholding in Versalite Sdn. Bhd., the Holding Company of Perstima.

Hiroshi Kume, a Japanese nationality with Malaysian permanent resident status, aged 57, was first appointed to the Board of Directors of Perstima from April 1980 to 1985 and subsequently reappointed in September 1991 until August 1996. He was appointed as the Managing Director of Perstima in 13 January 1998 until to-date.

He holds a Political Science Degree from Waseda University, Tokyo, Japan. He joined Kawasho Corporation in 1967 and was made a General Manager of Kawasho Corporation for the Kuala Lumpur branch in 1980 to 1985 before being assigned to the Los Angeles branch of Kawasho Corporation in 1985. He resigned from Kawasho Corporation in March 1997.

He is deemed to have interest in Versalite's shareholdings in Perstima by virtue of his 49.99% shareholding in Versalite Sdn. Bhd., the Holding Company of Perstima.

Hiroshi Sumino, a Japanese nationality, aged 56, was first appointed as the Deputy Managing Director of Perstima from February 1989 to December 1992. He was reappointed as Deputy Managing Director on 31 October 1998 until to-date. He graduated from Department of Economics, Osaka City University, Japan with a degree in Economics.

He joined Kawasho Corporation in 1967 and was appointed as Deputy Manager of Finance and Account Department of Perstima in 1985 and later as the Deputy Managing Director of Perstima in 1989.

In 1993, he was appointed as General Manager of Steel Business Development and Coordinating Department of Kawasho Corporation, Tokyo. He was promoted to Associate Director and Assistant to Asian Regional General Manager of Kawasho Corporation, Tokyo in 1996 before being appointed as Executive Vice-President and Treasurer of Yokohama Tire Philippines Inc., Philippines.

Todomu Kobayashi, a Japanese nationality aged 55 years, was first appointed to the Board of Directors of Perstima 7 July 1998 as non-Executive Director until to-date. He graduated from Department of Business Administration, Kyushu University, Japan.

He joined Kawasho Corporation in 1969 and was assigned to the Cold Rolled Steel and Coated Steel Department. In 1981, he was seconded to Kawarin Enterprise Pte. Ltd. in Singapore as Deputy Managing Director. He was later seconded to Kawasho Steel Processing Centre Sdn. Bhd. in 1989 as Managing Director.

He was appointed as General Manager of Steel Planning Department of Kawasho Corporation in Japan in 1995 before being transferred to Automobile and Electrical Steel Overseas Department in 1996. In 1997, he was transferred to Flat Rolled and Coated Steel Overseas Department of Kawasho Corporation before being transferred to Steel Overseas Division of Kawasho Corporation in 1999.

In 2000, he was assigned to Kawasho Corporation Kuala Lumpur branch as General Manager.

Yoshiki Sagara, a Japanese nationality aged 51 years, was first appointed to the Board of Directors of Perstima on 14 May 1999 as Alternate Director. He was appointed to the Board of Directors on 15 February 2001 as Independent Non-Executive Director until to-date. He holds a degree in Economics.

He is also a director of Malayawata Steel Berhad.

Ng Kei Nyen, a Malaysian nationality, aged 48 years, was first appointed to the Board of Directors of Perstima in 1998 as Alternate Director. He was appointed to the Board of Directors as an Independent Director and Audit Committee Chairman on 31 October 1998 until to-date.

Currently, he holds a Senior Position in an International Corporation and responsible for managing industrial investments and international manufacturing trade.

Yusuf bin Tan Sri Dato' Seri Jamil, a Malaysian nationality aged 37 years, was first appointed to the Board of Directors of Perstima on 21 February 2000 until to-date. He graduated with a Bachelor of Engineering (Mechanical) Honours degree from University of Bristol, England in 1986 and is a corporate member of the Institution of Engineers Malaysia (IEM).

He served Perusahaan Otomobil Nasional (PROTON) Berhad as Assistant Manager in the Engineering Department for several years and later as a Consultant with the Management Consulting Services Division of Price Waterhouse Malaysia until 1994. Currently he is involved in several engineering companies and businesses.

He is the son of Tan Sri Dato' Seri Jamil bin Mohd Jan, a substantial shareholder of the Perstima's Holding Company. He is also a director of Lysaght Galvanised Steel Berhad.



Ab. Patah bin Mohd, a Malaysian nationality aged 45 years, was first appointed to the Board of Directors of Perstima as an Executive Director on 31 October 1998 until to-date. He holds a degree in Engineering from University of Sheffield, England.

In 1980, he joined Felda Kilang as an Operation Engineer before joining Port Klang Authority in 1981 as an Engineer. He joined Perstima in 1981 as an Engineer and was appointed as General Manager in 1995.

Datuk Ab. Rahman bin Omar, a Malaysian nationality aged 55 years, was first appointed to the Board of Directors of Perstima on 15 April 1980 until 1995 and was reappointed as Independent Non-Executive Director on 11 June 2001 until to date. He graduated with a Bachelor of Economics (Hons) from University of Malaya.

He served the Malaysian Civil Service from 1970 until 1973 at various Ministries before joining Pineapple Cannery Malaysia Sdn. Bhd. in 1973 until 1980 as a Finance & Administration Manager before being appointed as General Manager in 1974. He was appointed as Director of Pineapple Cannery Malaysia Sdn. Bhd. in 1980 until 1993. In 1980, he was appointed as Director cum General Manager of Perstima before being promoted to Managing Director in 1985. He resigned from Perstima in 1995 and joined PERODUA as the Managing Director in 1996 until to-date.

Con-currently, he was appointed as Director of EON Berhad from 1989 until 1996, Director of PROTON from 1991 to 1996, Chairman and Director of BHP Steel Malaysia Sdn. Bhd. in 1998 until to-date. He was also the Chairman of Asian Driveshaft Sdn. Bhd. from 1999 to 2000.

Harun bin Ismail, a Malaysian nationality aged 58 years, was first appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date. He holds a BSc. in Forestry from Australian National University and MBA from Miami University.

He served the Department of Forestry Peninsular Malaysia for 16 years from 1967 to 1983. He joined HICOM Holding Berhad in 1983 until 1996 and held various positions and his last posting was Senior General Manager of Service and Petrochemical Industries.

Ghazali@Razali bin Ismail, a Malaysian nationality aged 60 years, was first appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date. He holds a Diploma in Electrical Engineering from College of Technology, Brighton, United Kingdom and Masters in Business Administration (MBA) from University of Queensland, Australia. He is also a Professional Engineer, a Chartered Engineer, a member of Institute of Engineers Malaysia (MIEM) and member of Institute of Engineers UK (MIEMUK).

He joined Tenaga Nasional Berhad in 1968 until 1982 before joining HICOM in 1982 as Project Manager. In 1983, he was assigned to Perwaja Steel Terengganu as Executive Director/General Manager and he was the person responsible for setting up the steel mill. In 1988, he was appointed as General Manager of Project Division HICOM until 1993 before being seconded to Uniphoenix Corporation Berhad as Executive Director until 1998.

Ng Tuan Hoo, a Malaysian nationality aged 49 years, was first appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date. He is a member of the Malaysian Institute of Accountants Public Accountant (Malaysia), Fellow of the Association of Chartered Certified Accountants United Kingdom, Associate member of the Malaysia Institute of Taxation.

He had previously worked with the Public Accountants' Firm, Lim Ali & Co. (now merged with an international firm and operating under the name of Ernst & Young). He has gained experience in auditing and special assignments with the Chartered and Certified Public Accountants firms in both Malaysia and the United Kingdom. He also possesses commercial experience in manufacturing activities and cooperatives. Currently, he runs his own firm and associate Company which were established more than 10 years ago providing company secretarial, accounting, taxation and other corporate services.

Board Meeting

There was one (1) Board Meeting held during the financial year and all the directors attended the meeting except Yusuf bin Tan Sri Dato' Seri Jamil and those directors appointed after the financial year end.

Directors Remuneration

(i) Aggregate Remuneration

During the year under review, the Company has paid out the following remuneration: -

Executive	Non-executive Directors	Total Directors	
Remuneration	RM	RM	RM
Directors' Fee	0	58,512	58,512
Salary	705,400	0	705,400
Benefits in kind	30,332	0	30,332
Total	735,732	58,512	794,244
	=====	=====	=====

(ii) Analysis Of Remuneration As At 31 March 2001

Size by Remuneration (RM)	No. of Executive Directors	No. of Non- Executive Directors
1 - 50,000	0	0
50,001 - 100,000	0	1
100,001 - 150,000	1	0
150,001 - 200,000	0	0
200,001 - 250,000	3	0

Utilisation Of Proceeds Raised From Corporate Proposal

During the year under review, the Company has raised the funds as follow :-

	RM,000
Rights Issue	35,969
Restricted Issue	40,000
	<hr/>
Total	75,969
	=====

The total proceeds of RM75,969 million from the above have been utilised fully on 12 December 2000 for the part settlement of the amount owing to the secured creditor.

Non-Audit Fees

The total amount of non-audit fee paid to external auditors for the financial year were RM800.00

Material Contracts

As at 31 March 2001, there is no outstanding material contracts of the Company involving directors' and major shareholders' interests except a contract listed below: -

Date	Party	Nature	Total (RM)	Term	Balance Outstanding 31/3/2001
15 December 2000	Kawasho Corporation	Supply of Raw Materials	36,067,700	Cash	22,930,748

List of Landed Properties

Location / Address	Acquisition / Revaluation * Date	Description	Land area	Tenure	Net Book Value
PN 6713 Lot 51694 Mukim of Plentong Daerah Pasir Gudang Industrial Estate Johor Bahru	June 1992 *	Factory And Office (approx. 19 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	RM 18,348,296
HS(D) 8092 Lot PTD 643 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	June 1992 *	Vacant	12,168.6 sq.ft.	99-year lease expiring 13 December 2088	RM 82,535
HS(D) 8094 Lot PTD 652 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	June 1992 *	Vacant	14,595.8 sq.ft.	99-year lease expiring 13 December 2088	RM 99,767
HS(D) 47792,47793,47794,47795, 47796,47799,47800 Lots PTD 22855, 22856, 22857, 22858, 22859, 22862, 22863, Mukim of Plentong Daerah Pasir Gudang Johor Bahru	June 1992 *	Double Storey Semi-Detached House (approx. 19 years old)	31,309 sq.ft.	99-year lease expiring 24 June 2070	RM 497,904
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Flat House (approx. 10 years old)	18,496.5 sq.ft.	99-year lease expiring 2 November 2085	RM 1,817,337
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Flat House (approx. 5 years old)	38,750.4 sq.ft.	99-year lease expiring 24 April 2093	RM 1,714,682

SUBSTANTIAL SHAREHOLDERS AS AT 5 JUNE 2001

Name of Shareholders	No. of Shares Held	% Shares
1. Versalite Sdn Bhd #	44,494,032	50.59
2. Kawasho Corporation	11,933,200	13.57
3. Mitsui & Co. Ltd@	4,378,400	4.97

Note:

Hiroshi Kume and Tan Sri Dato' Seri Jamil bin Mohd Jan are deemed interested in Versalite Sdn Bhd's shareholdings in Perusahaan Sadur Timah Malaysia (Perstima) Berhad by virtue of their 49.99% and 50.01% shareholdings respectively in Versalite Sdn Bhd. Yusuf bin Tan Sri Dato' Seri Jamil is also deemed interested in Versalite Sdn Bhd's shareholdings in Perusahaan Sadur Timah Malaysia (Perstima) Berhad by virtue of his family relationship with Tan Sri Dato' Seri Jamil bin Mohd Jan, a substantial shareholder of Versalite Sdn Bhd, being that of father and son.

@ Held through RHB Capital Nominees (Asing) Sdn Bhd

DIRECTORS AND THEIR RESPECTIVE SHAREHOLDINGS AS AT 5 JUNE 2001

Name of Directors	Direct		Indirect	
	No. of shares held	%	No. of shares held	%
Hiroshi Kume	-	-	44,494,032*	50.59
Hiroshi Sumino	-	-	-	-
Ab. Patah bin Mohd	100	-	-	-
Ng Kei Nyen	-	-	-	-
Todomu Kobayashi	-	-	-	-
Tan Sri Dato' Seri Jamil bin Mohd Jan	-	-	44,494,032*	50.59
Yusuf bin Tan Sri Dato' Seri Jamil	-	-	44,494,032**	50.59
Yoshiki Sagara	-	-	-	-

Note:

* Deemed interest by virtue of their substantial shareholdings in Versalite Sdn Bhd

** Deemed interest by virtue of his family relationship with Tan Sri Dato' Seri Jamil bin Mohd Jan, being that of father and son, a substantial shareholder of Versalite Sdn Bhd

Authorised Share Capital	:	RM200,000,000
Issued and Paid-Up Share Capital	:	RM87,958,448
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 5 JUNE 2001

No. of Holders	Holdings	Total Holdings	% of Issued Capital
10,262	less than 1000	2,398,856	2.73
5,577	1,000 to 10,000	12,326,060	14.01
222	10,001 to 100,000	4,912,500	5.59
19	100,001 to less than 4,397,922 (i.e. 5% of issued capital)	11,893,800	13.52
2	4,397,922 and above	56,427,232	64.15
16,082		87,958,448	100.00

ANALYSIS OF WARRANT HOLDINGS AS AT 5 JUNE 2001

No. of Holders	Holdings	Total Holdings	% of Issued Capital
4,345	less than 1000	1,651,598	13.78
1,315	1,000 to 10,000	2,567,640	21.42
46	10,001 to 100,000	1,047,832	8.73
5	100,001 to less than 599,480 (i.e. 5% of issued capital)	1,001,130	8.35
3	599,480 and above	5,721,412	47.72
5,714		11,989,612	100.00

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 5 JUNE 2001

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital
1. Versalite Sdn Bhd	44,494,032	50.59
2. Kawasho Corporation	11,933,200	13.57
3. RHB Capital Nominees (Asing) Sdn Bhd <Mitsui & Co Ltd>	4,378,400	4.97
4. Ong Fang Loong	1,589,000	1.81
5. HSBC Nominees (Asing) Sdn Bhd <HSBC SG for Lee Pineapple Company Pte Ltd>	1,367,600	1.55
6. Ong Wuang Hoe	1,019,000	1.16
7. M I T Nominees (Tempatan) Sdn Bhd <Ong Wuang Hoe>	705,000	0.80
8. Cartaban Nominees (Asing) Sdn Bhd <Daiwa SBCM Singapore for Silvern Investment Co (Pte) Ltd (Trust A/c)>	548,400	0.62
9. Ong Siew Hwa	370,000	0.42
10. Wong Chung Thai	298,000	0.34
11. Lembaga Tabung Angkatan Tentera	232,400	0.26
12. Yap Siew Geok	231,000	0.26
13. Lee Cho Sin	211,000	0.24
14. Goh Geok Loo	202,000	0.23
15. POS Malaysia Berhad	188,000	0.21
16. Leong & Company Sdn Bhd <IVT (321) for Leong Yuen Leng>	128,000	0.15

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 5 JUNE 2001

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital
17. Arab-Malaysian Nominees (Tempatan) Sdn Bhd <MIMB Aberdeen Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial>	120,000	0.14
18. Glorified Power Sdn Bhd	102,000	0.12
19. Lim E @ Lim Hoon Nam	102,000	0.12
20. Zurid Corporation Sdn Bhd	102,000	0.12
21. RHB Nominees (Tempatan) Sdn Bhd <Rashid Hussain Asset Management Sdn Bhd for Tenaga Nasional Berhad>	96,000	0.11
22. F I T Nominees (Asing) Sdn Bhd <Lum Chang Securities Pte Ltd for Loh Yong Lim>	92,000	0.10
23. Sahamann @ Basir Bin Ismail	90,000	0.10
24. How Sau Eng Alias Aw Siew Eng	90,000	0.10
25. Cartaban Nominees (Asing) Sdn Bhd <SSBT Fund ZV3M for IFC Emerging Markets Fund-Malaysia>	83,700	0.10
26. Lim Hung Puan	82,000	0.09
27. Chau Nooy @ Chow Yuit Ngor	81,000	0.09
28. PRB Nominees (Tempatan) Sdn Bhd <Rubber Industry Smallholders Development Authority>	80,000	0.09
29. Serang Ria Sdn Bhd	80,000	0.09
30. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <Alpha Grace Sdn Bhd>	76,000	0.09
TOTAL	69,171,732	78.64

THIRTY LARGEST WARRANT HOLDERS AS AT 5 JUNE 2001

Name of Warrant Holders	No. of Shares	% of Issued Capital
1. Versalite Sdn Bhd	3,393,512	28.30
2. Kawasho Corporation	1,233,300	10.29
3. RHB Capital Nominees (Asing) Sdn Bhd <Mitsui & Co Ltd>	1,094,600	9.14
4. HSBC Nominees (Asing) Sdn Bhd <HSBC SG for Lee Pineapple Company Pte Ltd>	341,900	2.85
5. Ong Wuang Hoe	260,000	2.18
6. Teng Hock Heng	161,000	1.34
7. Cartaban Nominees (Asing) Sdn Bhd <Daiwa SBCM Singapore for Silvern Investment Co (Pte) Ltd (Trust A/c)>	137,100	1.14
8. Lew Siew Yen	101,130	0.84
9. Lembaga Tabung Angkatan Tentera	58,100	0.48
10. Lau Kwai	55,000	0.47
11. POS Malaysia Berhad	47,000	0.39
12. Chen Chin Lim	40,000	0.33
13. Eng Nominees (Tempatan) Sdn Bhd <Teng Hock Heng>	35,000	0.29
14. Ong Fang Loong	34,333	0.29
15. Glorified Power Sdn Bhd	34,000	0.28
16. Lim E @ Lim Hoon Nam	34,000	0.28
17. Zurid Corporation Sdn Bhd	34,000	0.28

THIRTY LARGEST WARRANT HOLDERS AS AT 5 JUNE 2001

Name of Warrant Holders	No. of Shares	% of Issued Capital
18. Toh Chin Hin	32,666	0.27
19. Leong & Company Sdn Bhd <IVT (321) for Leong Yuen Leng>	32,000	0.27
20. Alliedban Nominees (Tempatan) Sdn Bhd <Lau Kwai>	30,000	0.25
21. Arab-Malaysian Nominees (Tempatan) Sdn Bhd <MIMB Aberdeen Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial>	30,000	0.25
22. Smith Zain Nominees (Tempatan) Sdn Bhd <Ng Joo Beng>	30,000	0.25
23. Tang Yong Fa	30,000	0.25
24. Huang Wei Nee	29,000	0.24
25. Cartaban Nominees (Asing) Sdn Bhd <SSBT Fund ZV3M for IFC Emerging Markets Fund-Malaysia>	27,900	0.23
26. RHB Nominees (Tempatan) Sdn Bhd <Rashid Hussain Asset Management Sdn Bhd for Tenaga Nasional Berhad>	24,000	0.20
27. F I T Nominees (Asing) Sdn Bhd <Lum Chang Securities Pte Ltd for Loh Yong Lim>	23,000	0.19
28. Sahamann @ Basir Bin Ismail	22,500	0.19
29. Lee Ghim Luan	20,000	0.17
30. PRB Nominees (Tempatan) Sdn Bhd <Rubber Industry Smallholders Development Authority>	20,000	0.17
TOTAL	7,445,041	62.10

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of the Company will be convened and held at Berjaya Room, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 30 July 2001 at 12.00 noon for the following purposes :

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 March 2001 together with the Directors' and Auditors' Reports thereon.

Ordinary Resolution 1

2. To re-elect the following Director who retires pursuant to Paragraph 7.28 of the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange:-

- (i) Hiroshi Kume

Ordinary Resolution 2

3. To re-elect the following Directors who retire pursuant to the existing Article 82 of the Articles of Association of the Company:-

- (i) Hiroshi Sumino

Ordinary Resolution 3

- (ii) Ab. Patah bin Mohd

Ordinary Resolution 4

4. To re-elect the following Directors who retire pursuant to the existing Article 89 of the Articles of Association of the Company:-

- (i) Yoshiki Sagara

Ordinary Resolution 5

- (ii) Datuk Ab. Rahman bin Omar

Ordinary Resolution 6

- (iii) Harun bin Ismail

Ordinary Resolution 7

- (iv) Ghazali @ Razali bin Ismail

Ordinary Resolution 8

- (v) Ng Tuan Hoo

Ordinary Resolution 9

5. To re-elect the following Director pursuant to Section 129(6) of the Companies Act, 1965:-

- (i) Tan Sri Dato' Seri Jamil bin Mohd Jan

Ordinary Resolution 10

6. To appoint Messrs KPMG as Auditors of the Company in place of the retiring Auditors, Messrs KPMG Desa Megat & Co and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed and marked 'Annexure A' in the 2001 Annual Report) has been received by the Company for the nomination of Messrs KPMG, who have given their consent to act, for appointment as Auditors in place of the retiring Auditors, Messrs KPMG Desa Megat & Co and of the intention to propose the following ordinary resolution:

"That Messrs KPMG of 9th & 10th Floor, Wisma KPMG, Jalan Dungun, Damansara Heights, 50490 KUALA LUMPUR be and are hereby appointed as the new Auditors of the Company for the financial year ending 31 March 2002, in place of the retiring Auditors, Messrs KPMG Desa Megat & Co. to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Ordinary Resolution 11

As Special Business

To consider and, if thought fit, to pass the following Special Resolutions:-

7. Proposed amendment to Clause 3 of the Memorandum of Association

"That to enable the Company to buy back its own shares and to render the Memorandum of Association of the Company consistent with Section 67A of the Companies Act, 1965 and any prevailing laws, rules, regulations, orders, guidelines or requirements of the relevant authorities ("Prevailing Law"), the Company's Memorandum of Association be and is hereby amended by inserting a new Clause 3(47) which reads as follows:

3(47) To purchase the Company's own shares, subject to, and in accordance with the Companies Act, 1965, the rules, regulations and orders made pursuant thereto (as modified, amended or re-enacted from time to time) and requirements of the Kuala Lumpur Stock Exchange and any other relevant authorities."

Special Resolution 1

8. Proposed adoption of new Articles of Association

"That the existing Articles of Association of the Company be deleted in its entirety and that the new set of Articles of Association as set out in Appendix I attached with the Annual Report for year 2001 be and is hereby adopted in substitution for and to the exclusion of the existing Articles of Association of the Company."

Special Resolution 2

BY ORDER OF THE BOARD

LUM CHEE YENG (MAICSA 0880217)

SAW BEE LEAN (MAICSA 0793472)

Company Secretaries

Kuala Lumpur

Date : 6th July 2001

NOTES :

1. A member shall be entitled to appoint a proxy. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
3. Where the member appoints more than one (1) proxy, the appointment shall be invalid. If the appointor is a Corporation, this form must be executed under its Common Seal or under the hand of its attorney.
4. EXPLANATORY NOTES ON SPECIAL BUSINESS

Special Resolution 1 - Proposed amendment to Clause 3 of the Memorandum of Association

Section 67A of the Companies Act, 1965 allows a public listed company to purchase its own shares. As the existing Memorandum of Association of the Company does not contain any provision for the purchase of the Company's own shares, the proposed amendment to incorporate the provision of Section 67A of the Companies Act, 1965 is therefore necessary to give the Company the required powers/ authority to purchase its own shares in the manner provided for under the Companies Act, 1965.

Special Resolution 2 - Proposed adoption of new Articles of Association

The Special Resolution 2 proposed under Item 8 of the Agenda, if passed, will render the Company's Articles of Association to be consistent and compliant with the revamped Listing Requirements of KLSE and any other regulatory requirements of the Companies Act, 1965 and Rules of the Malaysian Central Depository Sdn Bhd. The new Articles of Association also contain the necessary provisions to enable any Director and member of a committee of Directors to participate at Board of Directors' meetings and committee meetings respectively by way of telephone and video conferencing. Provisions to facilitate share buy-back have also been incorporated into the new Articles of Association in readiness for the purchase by the Company of its own shares in the future, if desired.

Statement accompanying Notice of Twenty Third Annual General Meeting pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange Listing Requirements

- (1) The following are the Directors standing for re-election at the 23rd Annual General Meeting:-

Pursuant to paragraph 7.28 of the Kuala Lumpur Stock Exchange Listing Requirements

Mr Hiroshi Kume

Pursuant to the existing Article 82 of the Articles of Association of the Company

Mr Hiroshi Sumino

En Ab. Patah bin Mohd

Pursuant to the existing Article 89 of the Articles of Association of the Company

Mr Yoshiki Sagara

Datuk Ab. Rahman bin Omar

En Harun bin Ismail

En Ghazali @ Razali bin Ismail

Mr Ng Tuan Hoo

Pursuant to Section 129(6) of the Companies Act, 1965

Tan Sri Dato' Seri Jamil bin Mohd Jan

- (2) Number of Board Meetings held for the financial year ended 31 March 2001 : One
- Place, date and hour of the meeting : Glenmarie Ballroom A
The Pan Pacific Glenmarie Resort
Selangor
Monday, 12 February 2001
3.35 p.m.

- (3) Attendance of Directors at Board Meetings

Name of Directors

Number of Meetings attended in the financial year

Tan Sri Dato' Seri Jamil bin Mohd Jan	One
Mr Hiroshi Kume	One
Mr Hiroshi Sumino	One
En Ab. Patah bin Mohd	One
Mr Todomu Kobayashi	One
Mr Ng Kei Nyen	One
En Yusuf bin Tan Sri Dato' Seri Jamil	Absent
Mr Yoshiki Sagara	One
Datuk Ab. Rahman bin Omar	Appointed only on 11 June 2001
En Harun bin Ismail	Appointed only on 11 June 2001
En Ghazali @ Razali bin Ismail	Appointed only on 11 June 2001
Mr Ng Tuan Hoo	Appointed only on 11 June 2001

- (4) The Twenty Third Annual General Meeting of the Company will be convened and held at Berjaya Room, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, off Jalan Damansara, 60000 Kuala Lumpur on Monday, 30 July 2001 at 12.00 noon.

(5) Further details on the Directors standing for re-election at the 23rd Annual General Meeting:-

Name	Age	Nationality	Position	Occupation	Other Directorships in public companies	Working experience *	Number of shares held in the Company	Number of shares held in subsidiary	Qualification *	Family Relationship with any Directors or major shareholders	Conflict of Interest	Conviction offences within the past ten years, if any
Hiroshi Kume	57	Japanese	Managing Director	Managing Director	Nil		Nil	Nil		Nil	Nil	Nil
Hiroshi Sumino	56	Japanese	Deputy Managing Director	Deputy Managing Director	Nil		Nil	Nil		Nil	Nil	Nil
Ab. Patah bin Mohd	45	Malaysian	Executive Director	General Manager	Nil		100	Nil		Nil	Nil	Nil
Tan Sri Dato' Seri Jamil bin Mohd Jan	71	Malaysian	Non-Executive Director	Non-Executive Director Chairman	Nil		Nil	Nil		**	Nil	Nil
Yoshiki Sagara	51	Japanese	Independent Non-Executive Director	General Manager	Malayawata Steel Berhad		Nil	Nil		Nil	Nil	Nil
Datuk Ab Rahman bin Omar	55	Malaysian	Independent Non-Executive Director	Company Director	Nil		Nil	Nil		Nil	Nil	Nil
Harun bin Ismail	58	Malaysian	Independent Non-Executive Director	Company Director	Nil		Nil	Nil		Nil	Nil	Nil

Accompanying

Name	Age	Nationality	Position	Occupation	Other Directorships in public companies	Working experience *	Number of shares held in the Company	Number of shares held in subsidiary	Qualification *	Family Relationship with any Directors or major shareholders	Conflict of Interest	Conviction offences within the past ten year, if any
Ghazali @ Razali bin Ismail	60	Malaysian	Independent Non-Executive Director	Company Director	Nil		Nil	Nil		Nil	Nil	Nil
Ng Tuan Hoo	49	Malaysian	Independent Non-Executive Director	Company Director	Nil		Nil	Nil		Nil	Nil	Nil

* Please refer to Directors' Profile on pages 37-40 of the Annual Report of the Company

** Tan Sri Dato' Seri Jamil bin Mohd Jan is the father to Yusuf bin Tan Sri Dato' Seri Jamil

Notice of Nomination

Annexure A

VERSALITE SDN BHD

(Company No : 307085M)

No. 3 Jalan Perintis U1/9

Seksyen U1 Glenmarie Court

40150 Shah Alam, Selangor Darul Ehsan

Tel : **(60)-3-705-1901** / Fax : **(60)-3-705-1902**

Date: 5 June 2001

The Board of Directors
Perusahaan Sadur Timah Malaysia (Perstima) Berhad
11th Floor, Wisma Damansara
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

Dear Sirs

NOTICE OF NOMINATION OF MESSRS KPMG FOR APPOINTMENT AS AUDITORS

We, Versalite Sdn Bhd, pursuant to Section 172(11) of the Companies Act, 1965, hereby give notice of our nomination of Messrs KPMG for appointment as Auditors of the Company in place of the retiring auditors and of our intention to propose the following resolution as an ordinary resolution at the forthcoming Twenty Third Annual General Meeting of the Company:-

"That Messrs KPMG of 9th & 10th Floor, Wisma KPMG, Jalan Dungun, Damansara Heights, 50490 KUALA LUMPUR be and are hereby appointed as the new Auditors of the Company for the financial year ending 31 March 2002, in place of the retiring Auditors, Messrs KPMG Desa Megat & Co. to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Thank you.

Yours faithfully,
Versalite Sdn Bhd


Hiroshi Kume
Director

Form of Proxy

No. of shares held:

I/We _____
 of _____ being a
 Member/Members of PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD, hereby
 appoint _____ of
 _____ or failing him/her,

 of _____ as my/our
 proxy to vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held at
 Berjaya Room, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala
 Lumpur on Monday, 30 July 2001 at 12.00 noon and at any adjournment thereof in respect of my/our holding of
 shares in the manner indicated below :-

	RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	Adoption of the Audited Financial Statements for the year ended 31 March 2001 and Directors' and Auditors' Report		
Ordinary Resolution 2	Re-election of Mr Hiroshi Kume as Director - Para 7.28 of the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange		
Ordinary Resolution 3	Re-election of Mr Hiroshi Sumino as Director - existing Article 82 of the Articles of Association of the Company.		
Ordinary Resolution 4	Re-election of En Ab. Patah bin Mohd as Director - existing Article 82 of the Articles of Association of the Company		
Ordinary Resolution 5	Re-election of Mr Yoshiki Sagara as Director - existing Article 89 of the Articles of Association of the Company		
Ordinary Resolution 6	Re-election of Datuk Ab. Rahman bin Omar as Director - existing Article 89 of the Articles of Association of the Company		
Ordinary Resolution 7	Re-election of En Harun bin Ismail as Director - existing Article 89 of the Articles of Association of the Company		
Ordinary Resolution 8	Re-election of En Ghazali @ Razali bin Ismail as Director - existing Article 89 of the Articles of Association of the Company		
Ordinary Resolution 9	Re-election of Mr Ng Tuan Hoo as Director - existing Article 89 of the Articles of Association of the Company		
Ordinary Resolution 10	Re-election of Tan Sri Dato' Seri Jamil bin Mohd Jan as Director - Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 11	Appointment of Messrs KPMG as Auditors of the Company in place of the retiring Auditors, Messrs KPMG Desa Megat & Co and authorise the Directors to fix the Auditors' remuneration		
Special Resolution 1	Proposed Amendment to Clause 3 of the Memorandum of Association		
Special Resolution 2	Proposed Adoption of new Articles of Association		

[Please indicate with a cross [X] in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit]

Signed this day of 2001

.....
 Signature of Shareholder or Common Seal

NOTES :

1. A Member shall be entitled to appoint a proxy. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, this proxy form duly completed must be deposited at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
3. Where the Member appoints more than one (1) proxy, the appointment shall be invalid. If the appointor is a Corporation, this form must be executed under its Common Seal or under the hand of its attorney.

Form of

Proxy

55

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Postage

PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD
11th Floor, Wisma Damansara,
Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur.

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ERRATA

This is to inform that the following information replaces Page 42 - LIST OF LANDED PROPERTIES.

The List of Landed Properties should be read as follows :

Location / Address	Acquisition / Revaluation * Date	Description	Land area	Tenure	Net Book Value
PN 6713 Lot 51694 Mukim of Plentong Daerah Pasir Gudang Industrial Estate Johor Bahru	June 1992 *	Factory And Office (approx. 19 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	RM18,348,296
HS(D) 8092 Lot PTD 643 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	June 1992 *	Vacant	12,168.6 sq.ft.	99-year lease expiring 13 December 2088	RM 82,535
HS(D) 8094 Lot PTD 652 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	June 1992 *	Vacant	14,595.8 sq.ft.	99-year lease expiring 13 December 2088	RM 99,767
HS(D) 47792,47793,47794,47795, 47796,47799,47800 Lots PTD 22855, 22856, 22857, 22858, 22859, 22862, 22863, Mukim of Plentong Daerah Pasir Gudang Johor Bahru	June 1992 *	Double Storey Semi-Detached House (approx. 19 years old)	31,309 sq.ft.	99-year lease expiring 24 June 2070	RM 497,904
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Flat House (approx. 10 years old)	18,496.5 sq.ft.	99-year lease expiring 2 November 2085	RM 1,817,337
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Flat House (approx. 5 years old)	38,750.4 sq.ft.	99-year lease expiring 24 April 2093	RM 1,714,682

Any inconvenience caused is much regretted.

Perusahaan Sadur Timah Malaysia (Perstima) Berhad (49971-D)

