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ANNUAL REPORT 2002 CONTENTS

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CORPORATE INFORMATION

Executive Directors

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

Non-Executive Directors

Yusuf bin Tan Sri Dato' Seri Jamil
Todomu Kobayashi

Independent Non-Executive Directors

Tan Sri 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

Suite 7.5 Level 7
Menara Weld
76 Jalan Raja Chulan
50200 Kuala Lumpur

Tel: (60-3) 20702793
Fax: (60-3) 20324552

Registrars

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

Tel: (60-3) 20268099
Fax: (60-3) 20263736

CORPORATE INFORMATION

Principal Place Of Business

PLO 255, Jalan Timah Tiga
 Kawasan Perindustrian Pasir Gudang
 81700 Pasir Gudang
 Johor, Malaysia
 Tel: (60-7) 2541200
 Fax: (60-7) 2514618

Auditors

Messrs KPMG
 Level 14 Menara Ansar
 65 Jalan Trus
 80000 Johor Bahru
 Tel: (60-7) 2242870
 Fax: (60-7) 2248055

Principal Bankers

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

Stock Exchange Listing

Kuala Lumpur Stock Exchange (Main Board)

Audit Committee

Harun bin Ismail	(Chairman / Independent Non-Executive Director)
Ng Tuan Hoo	(Independent Non-Executive Director)
Hiroshi Sumino	(Deputy Managing Director)

Remuneration Committee

Ng Tuan Hoo	(Chairman / Independent Non-Executive Director)
Harun bin Ismail	(Independent Non-Executive Director)
Hiroshi Sumino	(Deputy Managing Director)

Nomination Committee

Ghazali @ Razali bin Ismail	(Chairman / Independent Non-Executive Director)
Harun bin Ismail	(Independent Non-Executive Director)
Ng Tuan Hoo	(Independent Non-Executive Director)

DIRECTORS' PROFILE

The profiles of the Directors of Perstima are as follows:

Hiroshi Kume, a Japanese nationality with Malaysian permanent resident status, aged 58, 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 on 13 January 1998 until to-date. He has attended all four Board meetings during the financial year.

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 was assigned as President in Vest Inc., a tubular manufacturer in Los Angeles from 1986 to 1991. He resigned from Kawasho Corporation in March 1997. He has no conflict of interest with the Company, has no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

He is deemed to have interest in Versalite Sdn Bhd'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 57, 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 and is a member of the Audit Committee and Remuneration Committee of the Company. He has attended all four Board meetings during the financial year. 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 made a 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. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

DIRECTORS' PROFILE

Ab. Patah Bin Mohd, a Malaysian nationality aged 46 years, was appointed to the Board of Directors of Perstima as an Executive Director on 31 October 1998 until to-date. He has attended all four Board meetings during the financial year. 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. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

He has direct shareholding of 100 ordinary shares of RM1.00 each in the Company.

Yusuf bin Tan Sri Dato' Seri Jamil, a Malaysian nationality aged 38 years, was appointed to the Board of Directors of Perstima as a non-executive director on 21 February 2000 until to-date. He has attended all four Board meetings during the financial year. 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 has no conflict of interest with the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

He is the son of the late Tan Sri Dato' Seri Jamil bin Mohd Jan. He is also a director of Lysaght Galvanised Steel Berhad.

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

Todoma Kobayashi, a Japanese nationality aged 56 years, was appointed to the Board of Directors of Perstima on 7 July 1998 as a non-Executive Director until to-date. He has attended all four Board meetings during the financial year. 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. In 2000, he was assigned to Kawasho Corporation Kuala Lumpur branch as General Manager before being appointed as General Manager of Asean Region of Kawasho Corporation in July 2001. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

DIRECTORS' PROFILE

Tan Sri Ab. Rahman bin Omar, a Malaysian nationality aged 56 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 has attended three of the four Board meetings held during the financial year. 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 as a Finance & Administration Manager and was promoted as General Manager in 1974 until 1980. 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 Managing Director in 1996 until to-date.

Concurrently, 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. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

He is also a director of Gamuda Berhad.

Harun bin Ismail, a Malaysian nationality aged 59 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date, Chairman of the Audit Committee since July 2001 and a member of the Remuneration Committee and Nomination Committee of the Company. He has attended three of the four Board meetings held during the financial year. 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. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company, and has no convictions for offences within the past ten years other than for traffic offences, if any.

Ghazali @ Razali bin Ismail, a Malaysian nationality aged 61 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date and Chairman of the Nomination Committee of the Company since October 2001. He has attended three of the four Board meeting held during the financial year. 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 member of Professional Engineer, a Chartered Engineer, a member of Institute of Engineers Malaysia (MIEM) and member of Institute of Engineers UK (MIEMUK).

DIRECTORS' PROFILE

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. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company, and has no convictions for offences within the past ten years other than for traffic offences, if any.

Ng Tuan Hoo, a Malaysian nationality aged 50 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date, the Chairman of the Remuneration Committee since October 2001 and as member of Audit Committee and Nomination Committee of the Company. He has attended three of the four Board meeting held during the financial year. He is a member of the Malaysian Institute of Accountants Chartered Accountant (Malaysia), Fellow of the Association of Chartered Certified Accountants United Kingdom, Associate of the Institute of Taxation (Malaysia).

He had previously worked with the Chartered 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, established more than 10 years ago providing company secretarial, accounting, taxation and other corporate services. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

Shinichiro Muto, a Japanese nationality aged 51 years, was first appointed to the Board of Directors of Perstima on 31 January 2002 as Executive Director. He graduated from Faculty of Reaction Chemistry, Engineering, University of Tokyo, Japan.

He joined Kawasaki Steel Corporation in 1975 and held various senior positions at different fields such as Energy Department, Cold Rolling Technology Section, Coated products section and tin Mill product Control Section before he joined Perstima as Factory Manager in July 2001. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

MANAGING DIRECTOR'S STATEMENT

On behalf of the Board of Directors of the Company, it is with great sadness that I wish to put on record the untimely demise of our Chairman, the late Tan Sri Dato' Seri Jamil bin Mohd Jan on 18 May 2002. I would also like to take the opportunity to express my appreciation to the family of the late Tan Sri Dato' Seri Jamil for the late Tan Sri Dato' Seri Jamil's invaluable contribution to the Company during his tenure as Chairman.

Pending the appointment of a new Chairman, I am pleased to present, on behalf of the Board of Directors, the Annual Report and Financial Statement of Perusahaan Sadur Timah Malaysia (Perstima) Berhad, "the Company" and its subsidiary for the year ended 31 March 2002.

Company Performance And Development

This financial year has been very tough for us as the global economic slowdown forced the overseas tinplate manufacturers notably from Korea, China and Taiwan to export more of their product to our country. Those manufacturers required additional sales to keep their plants running in view of the overall weakening demand in those countries.

The overall local demand has also reduced due to the selected switch over of the tin-can packaging to other cheaper packaging materials. Together, they contributed to the reduction of our company's business volume. However, through an aggressive cost reduction and productivity improvement activities that were done during the year, our Company has been able to offset those drawbacks and able to maintain a reasonable profit for this year.

Company has recorded a turnover of RM231 Million for the financial year ended 31 March 2002, a decreased by 23.7% as compared to the previous year. The Company recorded a profit before exceptional items and taxation of RM18.2 Million for the year compared to RM18.4 Million in the previous year.

Dividend

The Board is recommending a final tax-exempt dividend of 5 sen for the financial year ended 31 March 2002 and the interim dividend of 5 sen less tax of 28% per share was paid on 15 December 2001.

Industry and Prospects

The Board expects the Company's operational environment to remain challenging and competitive. The competition from imported tinplate and other packaging materials, which continue to make inroads in product packaging, may become more intense. The full liberalization under AFTA in the year 2003 will result in more cross border trading and the migration of Multi National Corporations (MNCs') in and/or between Asean countries to set up a 'specialized' plant as they measure up the country's potential against their requirement in order to maximize profit. However, the Company is well prepared to face those challenges and fully confident of the future Company performance by further improvement 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.

Hiroshi Kume
Managing Director

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (Board) is committed to ensure that the highest standards of corporate governance are observed throughout the Company in order to achieve the highest standard of accountability, transparency and integrity with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

Principles Statement

The following statement sets out how the Company has applied the principles in Part 1 of the code.

A DIRECTORS

Board of Directors

The Perstima Board is made up of a mixture of qualified and experience businessmen and professional. The Directors on the Board are fully aware of the pivotal role they play in charting the strategic planning, control and development of the Company, and ultimately the enhancement of long-term shareholder value.

The Board has formal schedule of the matters reserved to itself for decision, which includes the overall company strategy and direction, investment policy, approval for major capital expenditure projects, consideration of significant financial matters and it reviews the financial and operating performance of the Company.

The composition of the Board, and the individual Directors' attendance of the meetings held during the financial year ended 31 March 2002 were as follows: -

		Date of Board of Directors Meeting Held During the Year			
		21/5/2001	30/7/2001	29/10/2001	29/1/2002
Hiroshi Kume	Managing Director	√	√	√	√
Hiroshi Sumino	Deputy Managing Director	√	√	√	√
Ab. Patah bin Mohd	Executive Director	√	√	√	√

CORPORATE GOVERNANCE STATEMENT

		Date of Board of Directors Meeting Held During the Year			
		21/5/2001	30/7/2001	29/10/2001	29/1/2002
Yusuf bin Tan Sri Dato' Seri Jamil	Non-Executive Director	√	√	√	√
Todomu Kobayashi	Non-Executive Director	√	√	√	√
Tan Sri Ab. Rahman bin Omar	Independent Non- Executive Director	* *X	√	√	√
Harun bin Ismail	Independent Non- Executive Director	* *X	√	√	√
Ghazali@ Razali bin Ismail	Independent Non- Executive Director	* *X	√	√	√
Ng Tuan Hoo	Independent Non- Executive Director	* *X	√	√	√
Shinichiro Muto	Executive Director	*X	* X	* X	*X

* Appointed only on 31 January 2002

**Appointed only on 11 June 2001

The late Tan Sri Dato' Seri Jamil bin Mohd Jan and Mr Yoshiki Sagara (resigned on 12 June 2002) were present at all the four (4) Board Meetings held during the financial year.

The Board ordinarily meet at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decision need to be taken between the scheduled meetings.

The Board receives Board papers on the matters requiring its consideration prior to and in advance of each meeting. All proceedings from the Board meetings are minuted and signed by the Chairman of the meeting.

Board Committees

The Board of Directors delegates certain responsibilities to the Board Committees, namely an Audit Committee, a Nomination Committee and a Remuneration Committee in order to enhance business and operation efficiency as well as efficacy. The Nomination and Remuneration Committee were established on 29 October 2001 to assist the Board in the execution of its duties. Prior to the establishment of these committees, their functions were assumed by the Board as a whole.

All committees have written terms of reference and the Chairman of the various committees will report to the Board of the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.

CORPORATE GOVERNANCE STATEMENT

Board Balance

The Board currently has ten Directors comprising four (4) Executive Directors and six (6) Non-Executive Directors of whom four (4) are Independent Directors. The Board has met with the requirements of Para 15.02 of the KLSE Listing Requirements and the requirements of the Code for Independent Directors to comprise at least two or one-third (whichever is higher) of the Board's composition.

The roles of the Chairman and the Managing Director are clearly defined with their individual position descriptions. The Chairman is responsible for effective running of the Board while the Managing Director, the effective running of the business and implementation of the Board policies and decisions.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

Supply of Information

The Chairman ensures that all Directors have full and timely access to information with Board paper distribution in advance of meetings. All Directors are provided with an agenda and a set of Board papers prior to every Board meeting. The Board papers circulated include quarterly and annual financial statements, performance reports, minutes of meetings, updates from the all regulatory authorities and external audit reports. All matters requiring Board approvals are also circulated prior to the Board Meeting. These Board papers are issued at least ten (10) days in advance to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting. The Directors also have access to the advice and services of the Company Secretaries as well as to independent professional advisers including the external auditors.

Details of periodic briefings on the industry outlook, company performance and forward previews are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends.

Appointments to the Board

The Nomination Committee comprises the following members during the year.

Ghazali@ Razali bin Ismail - Chairman, Independent Non-Executive Director

Harun bin Ismail - Independent Non-Executive Director

Ng Tuan Hoo - Independent Non-Executive Director

CORPORATE GOVERNANCE STATEMENT

The Committee consists entirely of Non-Executive Directors, all of whom are independent.

The Nomination Committee is responsible for making recommendation to the Board on new candidates for directorships and Board Committees for its consideration and implementation. The committee will also assist the Board in reviewing the required mix of skills and experience of the Non-Executive Directors.

The Committee met once during the financial year. The Managing Director and the Executive Directors upon the invitation the Chairman of the Committee attended the meeting.

The Board appoints its members through a formal and transparent selection process. The process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Committee will then recommend the candidates for approval and subsequent appointment by the Board. The Company Secretary will ensure that all appointments are properly made, that all information necessary is obtained, as well as all legal and regulatory obligations are met.

Directors' training

The Board through the Nomination Committee ensures that it recruits to the Board only individuals of sufficient caliber, knowledge and experience to fulfill the duties of a Director appropriately. An orientation and education programme had been provided for the new Board members. The Directors are also required to attend courses from time to time to equip themselves to effectively discharge their duties and to further enhance their skill and knowledge where relevant.

Re-election

In accordance with the Company's Articles of Association, all directors appointed by the Board are subject to election by the shareholders at the first Annual General Meeting (AGM) after their appointment and one-third of the remaining existing Directors are required to submit themselves for re-election by rotation at least once every three years at each AGM. The Directors to retire in every year shall be those who have been longest in office since their last election. These provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meeting attendance and the shareholdings in the Company of each Director standing for election are furnished in a separate statement accompanying the Notice of the AGM.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965.

CORPORATE GOVERNANCE STATEMENT

B DIRECTORS' REMUNERATION

Remuneration Committee

The Members of the Remuneration Committee during the year were: -

- Ng Tuan Hoo - Chairman, Independent Non-Executive Director
 Harun Ismail - Independent Non-Executive Director
 Hiroshi Sumino - Executive Director

The Committee consists of a majority of Independent Non-Executive Directors.

The Remuneration Committee is responsible for developing the remuneration framework and remuneration packages of the Executive Directors and recommending the same to the Board for approval. The Board as a whole will endorse the remuneration packages of Non-Executive Directors including that of the Non-Executive Chairman, Directors' fees are endorsed by the Board for approval by the shareholders of the Company at the AGM.

The Committee met once during the financial year.

Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 March 2002 were as follows: -

	-----RM'000-----			
	Fees	Emoluments	Benefit-in-kind	Total
Executive Directors	98	754	42	894
Non-Executive Directors	299	0	0	299

The number of Directors whose remuneration fall within the following bands are:-

Remuneration Bands (RM)	Executive Directors	Non-Executive Directors
1 — 50,000	1	7
50,001 — 100,000	0	0
100,001 — 150,000	0	1
150,001 — 200,000	0	0
200,001 — 250,000	1	0
250,001 — 300,000	1	0
300,001 — 400,000	1	0

The details for the remuneration for each Director are not presented in view of harmonisation purposes.

Note — Mr. Shinichiro Muto who was appointed on 31 January 2002, draw the Directors' remuneration from the date of appointment.

CORPORATE GOVERNANCE STATEMENT

C SHAREHOLDERS

The Board is fully aware of the need for good communications with shareholders and investors.

The AGM is a platform for the shareholders to meet and exchange views with the Board. There is an open question and answer session whereby shareholders may ask questions and seek clarifications on the performance of the Company. The Chairman and the Board members are in attendance to provide explanations to all shareholders' queries.

The shareholders and investors are also able to access the corporate, financial and market information of the Company from the KLSE's listed companies information at KLSE's website.

D ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible to ensure that accurate and timely announcements of the Company's quarterly financial statements are made on a quarterly basis. The Board also approves the annual financial statement before submission to the KLSE and sent to the shareholders. The Board is assisted by the Audit Committee to oversee the Company's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Company give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of their Income Statements and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for the taking of such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Internal Control

The Statements on the Internal Control furnished on pages 22 to 23 of the annual report provides an overview of the state of internal controls of the Company.

CORPORATE GOVERNANCE STATEMENT

Relationship with the Auditors

The Board has established a formal and transparent relationship with the External Auditors. The Audit Committee meets with the External Auditors, excluding the attendance of the Executive members of the committee at least once a year to facilitate the exchange of views on issues requiring attention.

The Audit Committee Report together with the Terms of Reference of the Audit Committee can be found on pages 16 to 21.

OTHER INFORMATION

Material Contracts

As at 31 March 2002, save as disclosed below, there was no other material contracts entered into by the Company involving Directors' and major shareholders' interests. Kawasho Corporation is the substantial shareholder of the Company and none of the Company Directors have any interest in Kawasho Corporation.

Date	Party	Nature	Total (RM'000)	Term	Balance outstanding
12/03/2002	Kawasho Corporation	Supply of Raw Material	4,755	Cash	4,755
19/02/2002	Kawasho Corporation	Supply of Plant and Machinery	2,799	Cash	2,799

Recurrent Related Party Transactions

The value of the transactions conducted pursuant to the shareholders' mandate during the financial year was as follows:-

Type Of Transaction	Party & Relationship	Total (RM'000)
Purchases of raw materials	Kawasho Corporation, a substantial shareholder of the Company	77,952

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

Non-Audit Fee

The amount of non-audit fees paid and payable to external auditors by the Company for the financial year ended 31 March 2002 amounted to RM800.00.

Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company, Directors or management by the relevant regulatory bodies during the financial year.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE MEMBER

Harun bin Ismail (Chairman / Independent Non-Executive Director)

Ng Tuan Hoo (Independent 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

AUDIT COMMITTEE REPORT

- 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.

AUDIT COMMITTEE REPORT

- 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.

AUDIT COMMITTEE REPORT

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 fulfill 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.

AUDIT COMMITTEE REPORT

ACTIVITIES OF THE COMMITTEE

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 31 March 2002 included the following:-

- a) Reviewed the external auditors' scope of work and audit plans for the year.
- b) Reviewed with the external auditors the results of the audit and the audit report, management letter and management's response.
- c) Consideration and recommendation to the Board for approval, the audit fee payable to the external auditors.
- d) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approval accounting standards approved by the regulatory requirements.
- e) Discussed the Revamped KLSE listing Requirements and its Practice Notes, particularly on the Malaysian code of Corporate Governance and the State of Internal Control.
- f) Reviewed the revised Audit Committee Charter in compliance with the Listing Requirements of KLSE.
- g) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Finance Manager.
- h) The Company's procedures in respect of the recurrent related party transactions to satisfy itself that the procedures were sufficient to ensure that the related party transactions were not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders.
- i) Updated and advised the Board on the latest changes and pronouncements that may be issued by the accountancy, statutory and regulatory bodies.
- j) Reported to and updated the Board on significant issues and concerns discussed during the Committee's meetings and where appropriate made the necessary recommendations to the Board.

AUDIT COMMITTEE REPORT

The individual members' attendance of the meetings held during the financial year ended 31 March 2002 were as follows:-

		Date of Audit Committee Meeting Held During the Year			
		21/5/2001	30/7/2001	29/10/2001	29/1/2002
Harun bin Ismail	Chairman/Independent Non-Executive Director	*X	√	√	√
Ng Tuan Hoo	Independent Non-Executive Director	*X	√	√	√
Hiroshi Sumino	Deputy Managing Director	√	√	√	√

* Appointed only on 30 July 2001

I N T E R N A L C O N T R O L S T A T E M E N T

(Pursuant to para 15.27(b) of the KLSE Revamped Listing Requirements)

BOARD'S RESPONSIBILITIES

The Board recognises that it is responsible for the Company's system of internal control and for reviewing its adequacy and integrity. As with any internal control system, controls can only provide reasonable but not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

RISK MANAGEMENT FRAMEWORK

The Board recognises the essentiality to have an effective risk management practice and to maintain a sound system of internal control. Hence, the Board is in the process of formalising and establishing the risk management framework. The risk management framework is expected to be in place by next financial year.

SYSTEM OF INTERNAL CONTROL

The Board has considered the need for an internal audit function, but has decided the current control mechanisms are sufficient for the size of the Company. The Board will review this decision in the coming financial year. Currently, the Executive Board members through their day-to-day involvement in the business operations and attendance at operational and management level meetings, manage and monitor the Company's direction, operational effectiveness and efficiency, and adherence to Company policies and procedures. The Executive Board members will inform the Board of any significant unresolved matters, which require Board intervention or Board-level decision-making. The monitoring and management of the Company as a whole is delegated to the four Executive Board members who take on the role of Managing Director, Deputy Managing Director, General Manager and Factory Manager. Monthly top management meetings supported by relevant written reports headed by Managing Director, and /or Deputy Managing Director and attended by all the Department heads are held to identify, discuss and resolve business and operational issues. These meetings serve as a two-way platform for the Board, through the Executive Board members, to communicate and address significant matters in relation to the Company's strategic, operational and financial affairs.

The Company's internal control, among others include:

Annual Budget

The Board has reviewed and approved the Company's budget for the year. As part of the budgeting process, the sales department considers both internal and external risk factors that may affect sales levels. This includes analysing the Company's historical performance, competitors, customers' requirements and customers' business trends, production capacity and other internal resources. At each Quarterly Board meetings, actual performance and results were monitored against budgets, with reasons for significant variances identified and highlighted to the Board for the appropriate corrective measures.

INTERNAL CONTROL STATEMENT

Financial Limits And Approving Authority

The Company has a policy on the financial limits and approving authority for its revenue and expenditure, and capital expenditure with appropriate approving authority thresholds to ensure all revenue and expenditure, and capital expenditure are in line with the Company's strategic objectives.

Other Control Processes

The Board is cognisant of the importance of maintaining a control conscious culture and embedding strong control features throughout the Company. The Company's organisation structure identifies the heads of each department, their subordinates and superiors. The structure enables a clear reporting line from worker level up to the Board. The Board formally communicates its expectation throughout the Company through various formal documents such as the Guidelines for Rules, Regulation and Work Instructions, Responsibility Statements, Lines of Authority, ISO Policies & Procedures, Safety Policy & Manual and the Employees Code of Ethics. The Board's expectations are also communicated informally throughout the Company through the Executive Board members who are actively involved in the day-to-day operations of the Company.

Subsequent to the financial year end, the Board has engaged a professional firm to conduct a state of internal control readiness assessment vis-à-vis the requirements outlined in the Statement on Internal Control: Guidance for Directors of Public Listed Companies issued by the KLSE's Task Force on Internal Control. The Board is in the process of reviewing the key findings and recommendations of this assessment. A programme of action plans to enhance the system of internal control will be approved by the Board and these enhancements are expected to be put in place during the next financial year.

DIRECTORS' REPORT

Directors' Report for the year ended 31 March 2002

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 2002.

Principal activities

The principal activities of the Company consist of those relating to the manufacturing and sale of tinplates. The principal activities of its subsidiary are set out in Note 3 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	<u>16,586</u>	<u>16,582</u>

Dividends

Since the end of previous financial year, the Company paid on interim dividend of 5% less tax of 28% totalling RM3,166,504 in respect of the year ended 31 March 2002 on 15 December 2001.

The Directors propose a final tax exempt dividend of 5% totalling RM4,397,922 in respect of the year ended 31 March 2002 subject to the approval of the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect this proposed final dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 March 2003.

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Directors of the Company

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

Mr. Hiroshi Kume
 Tan Sri Dato' Seri Jamil bin Mohd Jan (deceased on 18 May 2002)
 Mr. Todomu Kobayashi
 En. Ab. Patah bin Mohd
 Mr. Hiroshi Sumino
 En. Yusuf bin Tan Sri Dato' Seri Jamil
 Mr. Yoshiki Sagara
 Tan Sri Ab. Rahman bin Omar (appointed on 11 June 2001)
 En. Harun bin Ismail (appointed on 11 June 2001)
 En. Ghazali @ Razali bin Ismail (appointed on 11 June 2001)
 Mr. Ng Tuan Hoo (appointed on 11 June 2001)
 Mr. Shinichiro Muto (appointed on 31 January 2002)
 Mr. Ng Kei Nyen (retired on 30 July 2001)

DIRECTORS' REPORT

Directors' interests

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

Name of Directors	Interest	Number of ordinary shares of RM1.00 each			Balance at 31.3.2002
		Balance at 1.4.2001	Addition	Disposal	
<i>Holding Company</i>					
<i>- Versalite Sdn. Bhd.</i>					
Tan Sri Dato' Seri Jamil bin Mohd Jan	Direct	25,001	--	--	25,001
Mr. Hiroshi Kume	Direct	24,999	--	--	24,999

The Company

Tan Sri Dato' Seri Jamil bin Mohd Jan	Indirect	44,494,032	--	--	44,494,032
Mr. Hiroshi Kume	Indirect	44,494,032	--	--	44,494,032
En. Ab. Patah bin Mohd	Direct	100	--	--	100

ii) Warrants registered in the name of Directors

Name of Directors	Interest	Balance at 1.4.2001	Number of warrants		Balance at 31.3.2002
			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 (deceased on 18 May 2002) and Mr. Hiroshi Kume by virtue of their substantial shareholdings in the holding company are deemed to have interest in the shares of the Company and its related company.

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

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor 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.

DIRECTORS' REPORT

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 issue of warrants.

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up any unissued shares of the Company during the financial year apart from the issue of warrants.

On 17 November 2000, 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.

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) there are no bad debts to be 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 it necessary to write off any 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.

DIRECTORS' REPORT

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, the results of the operations of the Group and of the Company for the year ended 31 March 2002 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

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

Hiroshi Kume
Director

Hiroshi Sumino
Director

Johor Bahru,

10 June 2002

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 31 to 45, 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 2002 and 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:

Hiroshi Kume
Director

Hiroshi Sumino
Director

Johor Bahru,

10 June 2002

S TATUTORY D ECLARATION

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 31 to 45 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 10 day of
June 2002

Hiroshi Sumino

Before me:

CHIN POH JOHN (J-052)
Commissioner for Oaths

AUDITORS' REPORT

We have audited the financial statements set out on pages 31 to 45. 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 2002 and 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

Firm Number: AF 0758

Chartered Accountants

Lee Soon Teck

Partner

Approval Number: 1587/06/02 (J)

Johor Bahru,

10 June 2002

BALANCE SHEETS

as at 31 March 2002

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Property, plant and equipment	2	73,315	83,046	73,315	83,046
Investment in subsidiary	3	--	--	--	--
		<u>73,315</u>	<u>83,046</u>	<u>73,315</u>	<u>83,046</u>
Current assets					
Inventories	4	31,871	47,606	31,871	47,606
Trade and other receivables	5	23,538	32,759	23,538	32,764
Cash and cash equivalents	6	50,490	21,675	50,490	21,675
		<u>105,899</u>	<u>102,040</u>	<u>105,899</u>	<u>102,045</u>
Current liabilities					
Trade and other payables	7	14,112	14,482	14,110	14,481
Borrowings	8	43,511	49,176	43,511	49,176
Taxation		3,611	8,316	3,611	8,316
		<u>61,234</u>	<u>71,974</u>	<u>61,232</u>	<u>71,973</u>
Net current assets		<u>44,665</u>	<u>30,066</u>	<u>44,667</u>	<u>30,072</u>
		<u>117,980</u>	<u>113,112</u>	<u>117,982</u>	<u>113,118</u>
Financed by:-					
Capital and reserves					
Share capital	9	87,958	87,958	87,958	87,958
Reserves	10	20,361	6,941	20,363	6,947
		<u>108,319</u>	<u>94,899</u>	<u>108,321</u>	<u>94,905</u>
Long term and deferred liabilities					
Borrowings	8	--	6,903	--	6,903
Deferred taxation		9,661	11,310	9,661	11,310
		<u>9,661</u>	<u>18,213</u>	<u>9,661</u>	<u>18,213</u>
		<u>117,980</u>	<u>113,112</u>	<u>117,982</u>	<u>113,118</u>

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

INCOME STATEMENTS

for the financial year ended 31 March 2002

		Group		Company	
	Note	2002	2001	2002	2001
		RM'000	RM'000	RM'000	RM'000
Revenue					
Sale of goods		230,750	302,505	230,750	302,505
Cost of sales		(206,146)	(271,997)	(206,146)	(271,997)
Gross profit		24,604	30,508	24,604	30,508
Distribution expenses		(2,642)	(4,443)	(2,642)	(4,443)
Administration expenses		(4,641)	(4,632)	(4,637)	(4,549)
Other operating expenses		(94)	(2,083)	(94)	(2,075)
Other operating income		2,618	2,291	2,610	2,291
Operating profit	11	19,845	21,641	19,841	21,732
Interest expense		(1,645)	(3,206)	(1,645)	(3,206)
Profit before exceptional items		18,200	18,435	18,196	18,526
Exceptional items	12	--	18,124	--	54,296
Profit after exceptional items but before tax		18,200	36,559	18,196	72,822
Taxation	13	(1,614)	(3,736)	(1,614)	(3,736)
Net profit for the year		16,586	32,823	16,582	69,086
Basic earnings per ordinary share (sen)	14	19	65		
Diluted earnings per ordinary share (sen)	14	18	61		
Dividend per ordinary share (sen)	15	10	--		

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2002

					(Accumulated losses)/ Retained profits	Total
	Note	Share capital RM'000	Share premium RM'000	Capital reserves RM'000	RM'000	RM'000
Group						
At 1 April 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
Net profit for the year		--	--	--	16,586	16,586
Dividends	15	--	--	--	(3,166)	(3,166)
At 31 March 2002		87,958	--	2,766	17,595	108,319
Company						
At 1 April 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
Net profit for the year		--	--	--	16,582	16,582
Dividends	15	--	--	--	(3,166)	(3,166)
At 31 March 2002		87,958	--	2,766	17,597	108,321

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

CASH FLOW STATEMENTS

for the financial year ended 31 March 2002

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit after exceptional items but before tax	18,200	36,559	18,196	72,822
Adjustments for: -				
Deferred expenditure written off	--	79	--	--
Depreciation	10,974	10,599	10,974	10,599
Exceptional items	--	(18,124)	--	(54,296)
Gain on disposal of property, plant and equipment	(123)	(129)	(123)	(129)
Interest expenses	1,645	3,206	1,645	3,206
Interest income	(873)	(1,161)	(873)	(1,161)
Operating profit before working capital changes	29,823	31,029	29,819	31,041
Changes in working capital:				
Inventories	15,735	(6,912)	15,735	(6,912)
Trade and other receivables	9,221	5,241	9,226	5,290
Trade and other payables	(370)	(3,308)	(371)	(3,307)
Cash generated from operations	54,409	26,050	54,409	26,112
Interest paid	(1,645)	(3,206)	(1,645)	(3,206)
Interest received	873	1,161	873	1,161
Tax paid	(7,968)	(3,710)	(7,968)	(3,710)
Net cash generated from operating activities	45,669	20,295	45,669	20,357
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,243)	(10,965)	(1,243)	(10,965)
Disposal of a subsidiary	--	9,989	--	10,000
Deposit forfeiture on disposal of a subsidiary	--	500	--	500
Proceeds on disposal of property, plant and equipment	123	130	123	130
Net cash used in investing activities	(1,120)	(346)	(1,120)	(335)

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

CASH FLOW STATEMENTS

for the financial year ended 31 March 2002

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Repayment of secured revolving credits including interests	--	(100,000)	--	(100,000)
(Repayment)/Proceed of short term borrowings	(4,839)	17,279	(4,839)	17,279
Repayment of term loan	(8,629)	(8,629)	(8,629)	(8,629)
Dividends paid to shareholders	(3,166)	--	(3,166)	--
Payment of hire purchase	--	(15)	--	(15)
Proceeds from issue of shares	--	75,969	--	75,969
Net cash used in financing activities	(16,634)	(15,396)	(16,634)	(15,396)
Net increase in cash and cash equivalents	27,915	4,553	27,915	4,626
Cash and cash equivalents at beginning of year	21,675	17,122	21,675	17,049
Cash and cash equivalents at end of year	49,590	21,675	49,590	21,675
Cash and cash equivalents comprise:				
Cash and bank balances	2,968	2,717	2,968	2,717
Short term deposits with licensed banks	47,522	18,958	47,522	18,958
Bank overdraft	(900)	--	(900)	--
	49,590	21,675	49,590	21,675

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

NOTES TO 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 in compliance with applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

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 purchase prices over the fair values of the net assets of subsidiaries at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

All intra group transactions and balances are eliminated on consolidation.

(c) Property, plant and equipment

i) *Owned assets*

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

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. The Directors have not adopted a policy of regular revaluation of land and buildings as required.

As permitted by the Malaysian Accounting Standards Board, these assets are stated at their previous valuation less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS

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 term 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 except for capital work-in-progress 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 are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

(e) 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 the cost of raw materials, direct labour and appropriate proportions of production overheads.

(f) 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 estimated allowance is made for doubtful debts based on a review of outstanding amounts at the year end.

NOTES TO THE FINANCIAL STATEMENTS

(g) 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.

(h) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

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

(i) 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. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

The closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:-

	<u>2002</u>	<u>2001</u>
	RM	RM
1 US Dollar	3.80	3.80

(j) Revenue recognition

Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and machinery

<i>Group/Company Cost/Valuation</i>	Long term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in-progress Rm'000	Total RM'000
At 1 April 2001	10,467	22,872	177,466	10,015	122	220,942
Additions	--	--	241	312	690	1,243
Transfer	--	--	89	12	(101)	--
Disposal	--	--	--	(330)	--	(330)
At 31 March 2002	10,467	22,872	177,796	10,009	711	221,855
<i>Representing items at:</i>						
Cost	--	5,684	177,796	10,009	711	194,200
Directors' valuation	10,467	17,188	--	--	--	27,655
	10,467	22,872	177,796	10,009	711	221,855
<i>Depreciation</i>						
At 1 April 2001	1,836	8,942	119,370	7,748	--	137,896
Charge for the year	204	1,152	8,782	836	--	10,974
Disposal	--	--	--	(330)	--	(330)
At 31 March 2002	2,040	10,094	128,152	8,254	--	148,540
<i>Net book value</i>						
At 31 March 2002	8,427	12,778	49,644	1,755	711	73,315
At 31 March 2001	8,631	13,930	58,096	2,267	122	83,046
Depreciation charge for the year ended 31 March 2001	204	1,154	8,227	1,014	--	10,599

Revaluation

The long term leasehold land and factory buildings are stated at Directors' valuation in April 1992 based on independent professional valuation at open market value on an existing use basis in June 1991 and as approved by the relevant authorities.

The carrying amount that would have been included in the financial statements at the end of the year had the long term leasehold land and factory buildings been carried at cost less accumulated depreciation would be as follows:

	Group/Company	
	2002	2001
	RM	RM
Cost	22,216	22,216
Less: Accumulated depreciation	(12,550)	(11,711)
Net book value	9,666	10,505

NOTES TO THE FINANCIAL STATEMENTS

Security

The long term leasehold land and factory buildings of the Group and of the Company with a net book value of RM17,823,000 (2001: RM18,885,000) are charged to a bank as security for credit facilities as disclosed in Note 8.

Others

The gross amount of plant and machinery fully depreciated but in use only occasionally amounted to RM52,016,000 (2001: RM50,747,000).

3. Investment in subsidiary

	Company	
	2002	2001
	RM'000	RM'000
Unquoted shares	*--	*--
* represent RM2		

The wholly-owned subsidiary is Perstima Tin Plate Sdn. Bhd., a company incorporated in Malaysia. The Company remained dormant during the year.

4. Inventories

	Group/Company	
	2002	2001
	RM'000	RM'000
<i>At net realisable value</i>		
Finished goods	1,324	1,550
Raw material	673	309
	1,997	1,859
<i>At cost</i>		
Finished goods	14,340	21,209
Work-in-progress	1,330	1,586
Raw materials	12,085	20,472
Consumables	2,119	2,480
	29,874	45,747
	31,871	47,606

5. Trade and other receivables

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Trade receivables	26,023	34,609	26,023	34,609
Less: Allowance for doubtful debts	(3,636)	(4,070)	(3,636)	(4,070)
	22,387	30,539	22,387	30,539
Other receivables, deposits and prepayments	1,151	2,220	1,151	2,220
Due from subsidiary	--	--	--	5
	23,538	32,759	23,538	32,764

NOTES TO THE FINANCIAL STATEMENTS

6. Cash and cash equivalents

	Group/Company	
	2002	2001
	RM'000	RM'000
Cash and bank balances	2,968	2,717
Short term deposits with licensed banks	47,522	18,958
	<u>50,490</u>	<u>21,675</u>

7. Trade and other payables

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Trade payables	3,113	2,701	3,113	2,701
Other payables and accruals	10,999	11,781	10,997	11,780
	<u>14,112</u>	<u>14,482</u>	<u>14,110</u>	<u>14,481</u>

8. Borrowings (secured)

	Group/Company	
	2002	2001
	RM'000	RM'000
<i>Current</i>		
Term loans	--	1,726
Bankers' acceptances	42,611	47,450
Bank overdraft	900	--
	<u>43,511</u>	<u>49,176</u>
<i>Non-current</i>		
Term loans	--	6,903
	<u>43,511</u>	<u>56,079</u>

The above borrowings are secured by way of fixed charges over the Company's long term leasehold land and factory buildings and a debenture over the Company's current and future fixed and floating assets.

The term loans were fully repaid during the financial year and bear interest at 7% (2001: 7%) per annum. The bankers' acceptances bear interest at 3% to 3.85% (2001: 3.2% to 4.1%) per annum. The bank overdraft bears interest at 1% above the banks' base lending rate.

NOTES TO THE FINANCIAL STATEMENTS

9. Share capital

	Group/Company	
	2002	2001
	RM'000	RM'000
Authorised		
Ordinary shares of RM1.00 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid		
At 1 April		
- Ordinary shares of RM1.00 each	87,958	119,896
Capital reduction of RM0.90 of the par value of each existing ordinary share of RM1.00 each	--	<u>(107,907)</u>
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 share of RM1.00 each	--	40,000
At 31 March	<u>87,958</u>	<u>87,958</u>

On 17 November 2000, the Company issued 11,989,612 detachable free warrants to its shareholders 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.

10. Reserves

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Distributable				
Retained profits	17,595	4,175	17,597	4,181
Non-distributable				
Revaluation reserves	2,766	2,766	2,766	2,766
	<u>20,361</u>	<u>6,941</u>	<u>20,363</u>	<u>6,947</u>

Deferred taxation in respect of the revaluation of long term leasehold land and factory buildings of RM774,000 has not been provided for as the properties are held for long term use.

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax exempt account and Section 108 tax credit to frank the payment of dividends out of its retained profits at 31 March 2002.

NOTES TO THE FINANCIAL STATEMENTS

11. Operating profit

Operating profit is arrived at:

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
After charging:				
Allowance for doubtful debts	123	1,205	131	1,205
Audit fees	46	42	45	41
Deferred expenditure written off	--	79	--	--
Depreciation	10,974	10,599	10,974	10,599
Directors' remuneration				
- Directors' fee	397	--	397	--
- Other emoluments	754	764	754	764
Rental of premises	<u>108</u>	<u>118</u>	<u>108</u>	<u>118</u>
and crediting:				
Gain on disposal of property, plant and equipment	123	129	123	129
Hostel rental income	116	32	116	32
Interest income from				
- Short term deposits	772	945	772	945
- Others	101	216	101	216
Reversal of allowance for doubtful debts	<u>557</u>	<u>--</u>	<u>557</u>	<u>--</u>

The total staff costs including Executive Directors of the Group and of the Company for the year were RM9,622,487 (2001: RM9,310,768). The number of employees of the Group and of the Company at the end of the financial year were 246 (2001: 253).

The estimated monetary value of Directors' benefits-in-kind of the Group and of the Company is RM41,600 (2001: RM30,000).

12. Exceptional items

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	--	2,050	--	2,050
Deposit forfeiture on disposal of a subsidiary	--	500	--	500
Gain on disposal of a subsidiary	--	17,522	--	10,000
Loss on disposal of an associate	--	(51,657)	--	--
Reversal of losses in subsidiaries liquidated	--	7,963	--	--
Waiver of borrowings pursuant to the restructuring scheme	--	41,746	--	41,746
	<u>--</u>	<u>18,124</u>	<u>--</u>	<u>54,296</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Taxation

	Group/Company	
	2002	2001
	RM'000	RM'000
Income taxation		
- Current year	6,632	3,216
- Overprovision in prior years	(3,369)	--
Deferred taxation		
- Current year	(1,649)	253
- Underprovision in prior year	--	267
	<u>1,614</u>	<u>3,736</u>

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

14. Earnings per ordinary share-Group

a) *Basic earnings per share*

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM16,586,000 (2001: RM32,823,000) and the weighted average number of ordinary shares outstanding during the year of 87,958,447 (2001: 50,620,000).

b) *Diluted earnings per share*

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM16,586,000 (2001: RM32,823,000) and the weighted average number of ordinary shares outstanding during the year of 90,279,000 (2001: 53,513,000) 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)

	2002	2001
	RM'000	RM'000
Weighted average number of ordinary shares (basic)	87,958	50,620
Effects of incremental shares on conversion of outstanding warrants	2,321	2,893
Weighted average number of ordinary shares (diluted)	<u>90,279</u>	<u>53,513</u>

15. Dividends

	Group/Company	
	2002	2001
	RM'000	RM'000
Interim dividends of 5% less tax of 28% (2001: NIL)	<u>3,166</u>	<u>--</u>

NOTES TO THE FINANCIAL STATEMENTS

The Directors propose a final tax exempt dividend of 5% totalling RM4,397,922 in respect of the year ended 31 March 2002 subject to the approval of the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect this proposed final dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 March 2003.

16. Segmental reporting

Segmental reporting is not presented as the Group operates predominantly in Malaysia manufacturing and selling tinplates.

17. Commitment

	2002 RM'000	2001 RM'000
Contracted but not provided for	2,726	--
Authorised but not contracted for	1,733	--

18. Holding company

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

19. Related party transactions

Controlling related party relationships are as follows:-

- i) The substantial shareholder of the Company, Kawasho Corporation.

	2002 RM'000	2001 RM'000
Shareholder		
— <i>Kawasho Corporation</i>		
Purchases of raw materials	77,952	91,417
Purchases of property, plant and equipment and consumables	--	9,575

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.

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. 20 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	RM 17,287,374
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 81,594
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 98,630
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. 20 years old)	31,309 sq.ft.	99-year lease expiring 24 June 2070	RM 447,227
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Flat House (approx. 11 years old)	18,496.5 sq.ft.	99-year lease expiring 2 November 2085	RM 1,732,481
HS(D)216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Flat House (approx. 6 years old)	38,750.4 sq.ft.	99-year lease expiring 24 April 2093	RM 1,557,611

The Company does not have a revaluation policy on the landed property. Please refer to Note I (c) (i) to the financial statements on page 36.

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 7 JUNE 2002

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 BY SIZE OF HOLDINGS AS AT 7 JUNE 2002

No. of Holders	Holdings	Total Holdings	% of Issued Capital
9,622	less than 1000	2,228,473	2.53
5,325	1,000 to 10,000	11,859,543	13.49
219	10,001 to 100,000	4,814,400	5.47
21	100,001 to less than 4,397,922	12,628,800	14.36
2	4,397,922 and above	56,427,232	64.15
15,189		87,958,448	100.00

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 7 JUNE 2002

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-(J)>	4,378,400	4.98
4. HSBC Nominees (Asing) Sdn Bhd <HSBC SG for Lee Pineapple Company Pte Ltd>	1,367,600	1.55
5. Ong Fang Loong	1,269,000	1.44
6. Ong Wuang Hoe	1,026,000	1.17

SHAREHOLDERS' INFORMATION

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 7 JUNE 2002

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital
7. M I T Nominees (Tempatan) Sdn Bhd <Ong Wuang Hoe>	705,000	0.80
8. Affin-UOB Nominees (Asing) Sdn Bhd <UOB Kay Hian Pte Ltd for Top Link Ltd (FB Gemini)>	642,000	0.73
9. Cartaban Nominees (Asing) Sdn Bhd <Daiwa Securities SMBC Singapore Limited for Silvern Investment Co (Pte) Ltd (Trust A/c)>	548,400	0.62
10. Ong Siew Hwa	530,000	0.60
11. Wong Chung Thai	298,000	0.34
12. Lim Hung Puan	276,000	0.31
13. Lembaga Tabung Angkatan Tentera	232,400	0.26
14. Yap Siew Geok	231,000	0.26
15. Lee Cho Sin	211,000	0.24
16. POS Malaysia Berhad	188,000	0.21
17. Goh Geok Loo	172,000	0.20
18. Leong & Company Sdn Bhd <IVT (321) for Leong Yuen Leng>	128,000	0.15
19. Arab-Malaysian Nominees (Tempatan) Sdn Bhd <MIDF Aberdeen Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial (7/838-9)>	120,000	0.14
20. Glorified Power Sdn Bhd	102,000	0.12
21. Lim E @ Lim Hoon Nam	102,000	0.12
22. Zurid Corporation Sdn Bhd	102,000	0.12
23. RHB Nominees (Tempatan) Sdn Bhd <Rashid Hussain Asset Management Sdn Bhd for Tenaga Nasional Berhad>	96,000	0.11

SHAREHOLDERS' INFORMATION

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 7 JUNE 2002

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital
24. F I T Nominees (Asing) Sdn Bhd <DBS Vickers Secs (S) Pte Ltd for Loh Yong Lim>	92,000	0.10
25. Sahamann @ Basir Bin Ismail	90,000	0.10
26. Foo Pak Sooi	90,000	0.10
27. How Sau Eng Alias Aw Siew Eng	87,000	0.10
28. Chau Nooy @ Chow Yuit Ngor	81,000	0.09
29. PRB Nominees (Tempatan) Sdn Bhd <Rubber Industry Smallholders Development Authority>	80,000	0.09
30. Serang Ria Sdn Bhd	80,000	0.09
TOTAL	69,752,032	79.30

SUBSTANTIAL SHAREHOLDERS AS AT 7 JUNE 2002

Name of Shareholders	No. of Shares Held	% of Issued Capital
1. Versalite Sdn Bhd #	44,494,032	50.58
2. Kawasho Corporation	11,933,200	13.57

Note:

Messrs Hiroshi Kume and Yusuf bin Tan Sri Dato' Seri Jamil 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.

SHAREHOLDERS' INFORMATION

ANALYSIS OF WARRANT HOLDINGS AS AT 11 JUNE 2002

No. of Warrants in issue	:	11,989,612
Exercise price of the Warrants	:	RM1.00
Expiry date of the Warrants	:	16 November 2005

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 11 JUNE 2002

No. of Holders	Holdings	Total Holdings	% of Total Warrants Issued
3,986	less than 1000	1,502,971	12.53
1,212	1,000 to 10,000	2,420,215	20.19
55	10,001 to 100,000	1,446,014	12.06
4	100,001 to less than 599,480	899,000	7.50
3	599,480 and above	5,721,412	47.72
5,260		11,989,612	100.00

THIRTY LARGEST WARRANT HOLDERS AS AT 11 JUNE 2002

Name of Warrant Holders	No. of Warrants	% of Total Warrants Issued
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-(J)>	1,094,600	9.13
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	160,000	1.33
7. Cartaban Nominees (Asing) Sdn Bhd <Daiwa Securities SBCM Singapore Limited for Silvern Investment Co (Pte) Ltd (Trust A/c)>	137,100	1.14
8. Lau Kwai	76,000	0.63
9. Lim Hung Puan	64,000	0.53
10. TCL Nominees (Tempatan) Sdn Bhd <Pledged Securities Account for Lee Wei Hong>	62,000	0.52
11. Mayban Nominees (Tempatan) Sdn Bhd <Pledged Securities Account for Lau Kwai (313AQ2149)>	54,000	0.45

SHAREHOLDERS' INFORMATION

THIRTY LARGEST WARRANT HOLDERS AS AT 11 JUNE 2002

Name of Warrant Holders	No. of Warrants	% of Total Warrants Issued
12. JF Apex Nominees (Tempatan) Sdn Bhd <Pledged Securities Account for Lim Hung Puan>	52,000	0.43
13. Citicorp Nominees (Tempatan) Sdn Bhd <Pledged Securities Account for Yap Swee Hang (472357)>	50,000	0.42
14. POS Malaysia Berhad	47,000	0.40
15. Koay Choon Heng	46,000	0.38
16. OSK Nominees (Asing) Sdn Berhad <Pledged Securities Account for Tan Boon Chiang>	46,000	0.38
17. JB Nominees (Asing) Sdn Bhd <Pledged Securities Account for Chin Hoi @ Chin Pek Hooi>	44,000	0.37
18. Chen Chin Lim	40,000	0.33
19. Wan Chee Cheaw	38,000	0.32
20. ENG Nominees (Tempatan) Sdn Bhd <Pledged Securities Account for Teng Hock Heng>	36,000	0.30
21. Ong Fang Loong	34,333	0.30
22. Glorified Power Sdn Bhd	34,000	0.28
23. Lim E @ Lim Hoon Nam	34,000	0.28
24. Zurid Corporation Sdn Bhd	34,000	0.28
25. Leong & Company Sdn Bhd <IVT (321) for Leong Yuen Leng>	32,000	0.27
26. Chong Chee Ming	30,266	0.25
27. Arab-Malaysian Nominees (Tempatan) Sdn Bhd <MIDF Aberdeen Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial (7/838-9)>	30,000	0.25
28. Soo Chu	30,000	0.25
29. Alliancegroup Nominees (Tempatan) Sdn Bhd <Pledged Securities Account for Yap Swee Hang (100060)>	28,000	0.23
30. Tan Lee Chin	25,000	0.21
TOTAL	7,587,011	63.28

SHAREHOLDERS' INFORMATION

DIRECTORS AND THEIR RESPECTIVE SHAREHOLDINGS AS AT 7 JUNE 2002

Name of Directors	Direct		Indirect	
	No. of shares held	%	No. of shares held	%
Hiroshi Kume	-	-	44,494,032*	50.59
Hiroshi Sumino	-	-	-	-
Tan Sri Ab. Rahman bin Omar	-	-	-	-
Ab. Patah bin Mohd	100	-	-	-
Shinichiro Muto	-	-	-	-
Todomu Kobayashi	-	-	-	-
Yusuf bin Tan Sri Dato' Seri Jamil	-	-	44,494,032*	50.59
Ng Tuan Hoo	-	-	-	-
Harun bin Ismail	-	-	-	-
Ghazali @ Razali bin Ismail	-	-	-	-

Note:

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

DIRECTORS AND THEIR RESPECTIVE WARRANT HOLDINGS AS AT 11 JUNE 2002

Name of Directors	Direct		Indirect	
	No. of warrants held	%	No. of warrants held	%
Hiroshi Kume	-	-	3,393,512*	28.30
Hiroshi Sumino	-	-	-	-
Tan Sri Ab. Rahman bin Omar	-	-	-	-
Ab. Patah bin Mohd	-	-	-	-
Shinichiro Muto	-	-	-	-
Todomu Kobayashi	-	-	-	-
Yusuf bin Tan Sri Dato' Seri Jamil	-	-	3,393,512*	28.30
Ng Tuan Hoo	-	-	-	-
Harun bin Ismail	-	-	-	-
Ghazali @ Razali bin Ismail	-	-	-	-

Note:

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth Annual General Meeting of the Company will be convened and held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 31 July 2002 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 2002 together with the Directors' and Auditors' Reports thereon.
Ordinary Resolution 1
2. To re-elect the following Directors who retire pursuant to Article 86 of the Articles of Association of the Company:-
 - (i) Hiroshi Sumino **Ordinary Resolution 2**
 - (ii) Todomu Kobayashi **Ordinary Resolution 3**
 - (iii) Yusuf bin Tan Sri Dato' Seri Jamil **Ordinary Resolution 4**
3. To re-elect the following Director who retires pursuant to Article 93 of the Articles of Association of the Company:-
 - (i) Shinichiro Muto **Ordinary Resolution 5**
4. To approve the payment of Directors' Fee of RM396,500.00 for the financial year ended 31 March 2002.
Ordinary Resolution 6
5. To approve the payment of a Tax Exempt Final Dividend of 5% in respect of the financial year ended 31 March 2002.
Ordinary Resolution 7
6. To re-appoint the Auditors, Messrs KPMG and to authorise the Directors to fix their remuneration.
Ordinary Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution:-

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES**

“THAT, the shareholders’ mandate for recurrent related party transactions of a revenue or trading nature with related parties approved by the Shareholders of the Company at the Extraordinary General Meeting held on 30 July 2001 pursuant to paragraph 10.09 of the Listing Requirements of the Kuala Lumpur Stock Exchange (“KLSE”) as set out in Section 3 of the Circular to Shareholders dated 2 July 2002 which are necessary for the Company’s day-to-day operations, be and is hereby renewed.

AND THAT the authority conferred by such renewed mandate shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.”

Ordinary Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 24th Annual General Meeting, a Tax Exempt Final dividend of 5% per ordinary share of RM1.00 each in respect of the financial year ended 31 March 2002 will be paid to shareholders on 18 September 2002. The entitlement date for the said dividend shall be 19 August 2002.

NOTICE OF ANNUAL GENERAL MEETING

A depositor shall qualify for entitlement to the dividend only in respect of :

- a) Shares deposited into the depositor's securities account before 12.30 p.m. on 15 August 2002 (in respect of shares which are exempted from mandatory deposit);
- b) Shares transferred to the depositor's securities account before 12.30 p.m. on 19 August 2002 in respect of ordinary transfers,
- c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

LUM CHEE YENG (MAICSA 0880217)

SAW BEE LEAN (MAICSA 0793472)

Company Secretaries

Kuala Lumpur

2 July 2002

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 Suite 7.5, Level 7, Menara Weld, 76 Jalan Raja Chulan, 50200 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**

Ordinary Resolution 9 - Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Related Parties

For further information on Ordinary Resolution No. 9, please refer to the Circular to Shareholders dated 2 July 2002 accompanying the Company's Annual Report for the year ended 31 March 2002.

ACCOMPANYING STATEMENT

Pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange Listing Requirements.

1. Directors who are standing for re-election at the Twenty Fourth Annual General Meeting of the Company are:-

Mr Hiroshi Sumino	(Resolution 2)
Mr Todomu Kobayashi	(Resolution 3)
En Yusuf bin Tan Sri Dato' Seri Jamil	(Resolution 4)
Mr Shinichiro Muto	(Resolution 5)

2. Details of attendance of Directors at Board meetings during the financial year ended 31 March 2002.

Number of Board Meetings held for the financial year: Four (4)

Attendance of the Directors holding office at the end of the financial year is shown below:-

Name of Directors	Attendance
Hiroshi Kume	4/4
Hiroshi Sumino	4/4
Ab. Patah Bin Mohd	4/4
Yusuf bin Tan Sri Dato' Seri Jamil	4/4
Todomu Kobayashi	4/4
Tan Sri Ab. Rahman bin Omar	*3/4
Harun bin Ismail	*3/4
Ghazali @ Razali bin Ismail	*3/4
Ng Tuan Hoo	*3/4
Shinichiro Muto	@0/4

* Appointed to the Board only on 11 June 2001

@ Appointed to the Board only on 31 January 2002

Place, date and time of the Board of Directors' Meetings

Date of Meeting	Time	Place
21 May 2001	3.00 p.m.	Shah Alam
30 July 2001	11.00 a.m.	Kuala Lumpur
29 October 2001	2.30 p.m.	Pasir Gudang, Johor
29 January 2002	11.00 a.m.	Shah Alam

ACCOMPANYING STATEMENT

3. The Twenty Fourth Annual General Meeting of the Company will be convened and held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 31 July 2002 at 12.00 noon.
4. Further details of the Directors standing for re-election at the Twenty Fourth Annual General Meeting:-

Name	Hiroshi Sumino	Todomu Kobayashi
Age	57	56
Nationality	Japanese	Japanese
Qualification	#	#
Position on the Board	Deputy Managing Director	Non-Executive Director
Date first appointed to the Board	February 1989	7 July 1998
Attendance at Board Meeting	4/4	4/4
Membership of Board Committees	Audit Committee and Remuneration Committee	None
Working experience	#	#
Occupation	Deputy Managing Director	General Manager
Other directorships of public companies	None	None
Securities holdings in the Company and its subsidiaries	None	None
Family relationship with any director and/or substantial shareholder of the Company	None	None
Conflict of interest	None	None
Convictions for offences within the past 10 years other than traffic offences	None	None

ACCOMPANYING STATEMENT

Name	Yusuf bin Tan Sri Dato' Seri Jamil	Shinichiro Muto
Age	38	51
Nationality	Malaysian	Japanese
Qualification	#	#
Position on the Board	Non-Executive Director	Executive Director
Date first appointed to the Board	21 February 2000	31 January 2002
Attendance at Board Meeting	4/4	0/4*
Membership of Board Committees	None	None
Working experience	#	#
Occupation	Non-Executive Director	Factory Manager
Other directorships of public companies	Lysaght Galvanised Steel Berhad	None
Securities holdings in the Company and its subsidiaries	Deemed interest via the Holding Company, Versalite Sdn Bhd's shareholdings in the Company pursuant to Section 6A(4)(c) of the Companies Act, 1965	None
Family relationship with any director and/or substantial shareholder of the Company	He is the son of the late Tan Sri Dato' Seri Jamil bin Mohd Jan, the previous Chairman of the Board of Directors of the Company.	None
Conflict of interest	None	None
Convictions for offences within the past 10 years other than traffic offences	None	None

Please refer to Directors' Profile on pages no. 4 to 7 of the Annual Report of the Company.

* Appointed to the Board only on 31 January 2002.

PROXY FORM

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 24th Annual General Meeting of the Company, to be
held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara,
60000 Kuala Lumpur on Wednesday, 31 July 2002 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 2002 and Directors' and Auditors' Report		
Ordinary Resolution 2	Re-election of Mr Hiroshi Sumino as Director - Article 86 of the Articles of Association of the Company		
Ordinary Resolution 3	Re-election of Mr Todomu Kobayashi as Director - Article 86 of the Articles of Association of the Company		
Ordinary Resolution 4	Re-election of En Yusuf bin Tan Sri Dato' Seri Jamil as Director - Article 86 of the Articles of Association of the Company		
Ordinary Resolution 5	Re-election of Mr Shinichiro Muto as Director - Article 93 of the Articles of Association of the Company		
Ordinary Resolution 6	Approval of Directors' Fee		
Ordinary Resolution 7	Declaration of Tax Exempt Final Dividend		
Ordinary Resolution 8	Re-appointment of Messrs KPMG as Auditors of the Company and authorise the Directors to fix the Auditors' remuneration		
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature with related parties		

[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 2002

.....
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, the proxy form duly completed must be deposited at the Registered Office of the Company at Suite 7.5, Level 7, Menara Weld, 76 Jalan Raja Chulan, 50200 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.

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Postage

PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD

Suite 7.5, Level 7, Menara Weld,
76, Jalan Raja Chulan,
50200 Kuala Lumpur.

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