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CORPORATE INFORMATION

Executive Directors

Hiroshi Kume (Managing Director)
Hiroshi Sumino (Deputy Managing Director)
Ab. Patah bin Mohd
Toshihiro Yamamoto
Che Alias bin Ismail (resigned on 6 June 2005)

Non-Independent Non-Executive Directors

Tan Sri Ab. Rahman bin Omar
Todomu Kobayashi
Shuichi Yoshida

Independent Non-Executive Directors

Yusuf bin Jamil
Harun bin Ismail
Ghazali @ Razali bin Ismail
Ng Tuan Hoo
Rin Nan Yoong

Company Secretaries

Saw Bee Lean (MAICSA 0793472)
Liew Irene (MAICSA 7022609)

Principal place of Business

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

Registered Office

Suite 2009 Level 20
Wisma MPL
Jalan Raja Chulan
50200 Kuala Lumpur
Tel : (60-3) 20702793
Fax: (60-3) 20324552

Registrars

Symphony Share Registrars Sdn Bhd (378993-D)
(formerly known as Malaysian Share Registration Services
Sdn Bhd)
Level 26 Menara Multi-Purpose
Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : (60-3) 27212222
Fax: (60-3) 27212530

Auditors

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

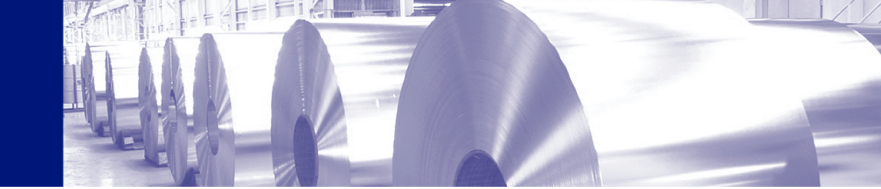
Principal Bankers

Malayan Banking Berhad
Bumiputra Commerce Bank Berhad
Bank Islam Malaysia Berhad
AM Bank Berhad

Stock Exchange Listing

Bursa Securities (Main Board)





CORPORATE INFORMATION

Audit Committee

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

Ng Tuan Hoo
(Independent Non-Executive Director)

Rin Nan Yoong
(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)

Rin Nan Yoong
(Independent Non-Executive Director)

Hiroshi Sumino
(Deputy Managing Director)

Nomination Committee

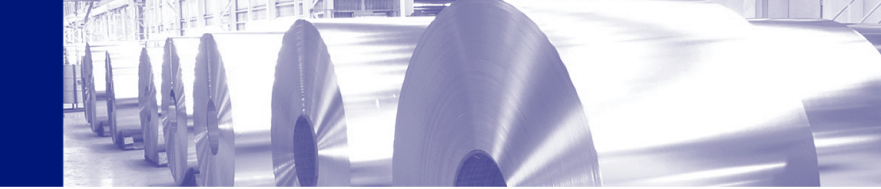
Ghazali @ Razali bin Ismail
(Chairman / Independent Non-Executive Director)

Harun bin Ismail
(Independent Non-Executive Director)

Ng Tuan Hoo
(Independent Non-Executive Director)

Rin Nan Yoong
(Independent Non-Executive Director)





DIRECTORS' PROFILE

The profiles of the Directors of Perstima are as follows:

Tan Sri Ab. Rahman bin Omar, a Malaysian, aged 59 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. He was subsequently appointed as Chairman of the Board of Directors on 31 July 2002. He is currently a Non-Independent Non-Executive Director of the Company. He has attended all 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 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 30 April 2004.

Concurrently, he was appointed as Director of EON Bank Berhad from 1989 until 1996, Director of PROTON from 1991 to 1996, Chairman and Director of BHP Steel Malaysia Sdn. Bhd. in 1998 until February 2003. 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 deemed to have an interest in Versalite Sdn Bhd's shareholdings in Perstima by virtue of his 32.01% shareholdings in Versalite Sdn Bhd., a major shareholder of Perstima.

He is also a Director of Wah Seong Corporation Berhad and Chemical Company of Malaysia Berhad.

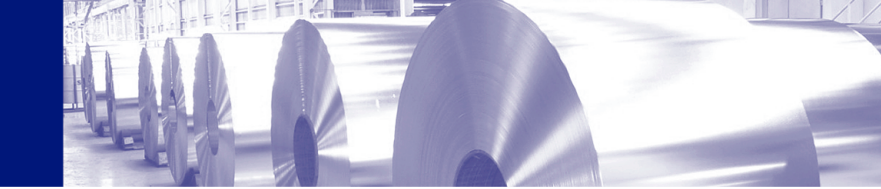
Hiroshi Kume, a Japanese with Malaysian permanent resident status, aged 60 years, was first appointed to the Board of Directors of Perstima from April 1980 to 1985 and subsequently reappointed in September 1991 until August 1996. He was appointed as the Managing Director of Perstima on 13 January 1998 until to-date. He has attended all four Board meetings held 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 an interest in Perstima by virtue of his 49.99% shareholdings in Versalite Sdn. Bhd., a major shareholder of Perstima.

Hiroshi Sumino, a Japanese, aged 60 years, 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 and he was also made the Group Chief Operating Officer on 1 May 2004 and is a member of the Audit Committee and Remuneration Committee of the Company. He has attended all four Board meetings held during the financial year. He graduated from the Department of Economics, Osaka City University, Japan with a degree in Economics.





DIRECTORS' PROFILE

He joined Kawasho Corporation in 1967 and was appointed as Deputy Manager of Finance and Accounts Department of Perstima in 1985 and later as the Deputy Managing Director of Perstima in 1989. In 1997, he was appointed as Executive Vice-President and Treasurer of Yokohama Tire Philippines Inc., Philippines. He retired from Kawasho Corporation in April 2004. 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 120,000 ordinary shares of RM1.00 each in the Company.

Ab. Patah Bin Mohd, a Malaysian, aged 49 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 held 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 Jamil, a Malaysian, aged 41 years, was appointed to the Board of Directors of Perstima as a Non-Executive Director on 21 February 2000. He is currently an Independent Non-Executive Director of the Company. He has attended all four Board meetings held 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 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, 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 Lysaght Galvanised Steel Berhad and group.

Todomu Kobayashi, a Japanese, aged 59 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 held during the financial year. He graduated from the 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 1982, he was seconded to Kwarin 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

Harun bin Ismail, a Malaysian, aged 62 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 all four Board meetings held during the financial year. He holds a BSc. in Forestry from Australian National University and MBA from University of Miami.

He served the Department of Forestry Peninsular Malaysia from 1967 to 1983. He joined HICOM Holdings 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.

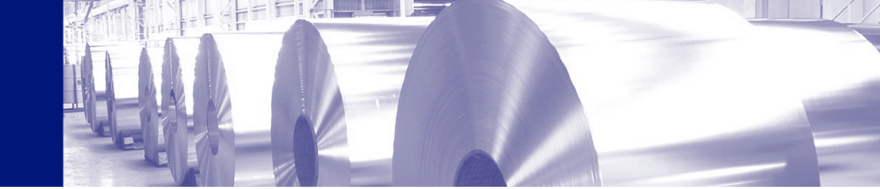
Ghazali @ Razali bin Ismail, a Malaysian, aged 64 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date and Chairman of the Nomination Committee of the Company since October 2001. He has attended all four Board meetings held during the financial year. He holds a Diploma in Electrical Engineering from College of Technology, Brighton, United Kingdom and 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 Institution of Engineers UK (MIEUK).

He joined Tenaga Nasional Berhad in 1968 until 1982 before joining HICOM in 1982 as Project Manager. From 1983 till 1988, he was assigned to Perwaja Steel Terengganu as Director/General Manager. In 1989 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, aged 53 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 Remuneration Committee since October 2001 and as member of the Audit Committee and Nomination Committee of the Company. He has attended all four Board meetings held during the financial year. He is a member of the Malaysian Institute of Accountants, Fellow of the Association of Chartered Certified Accountants United Kingdom, and 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.





DIRECTORS' PROFILE

Rin Nan Yoong, a Singaporean, aged 39 years, was first appointed to the Board of Directors of Perstima on 26 March 2004 as Independent Non-Executive Director and was subsequently appointed as a member of the Audit Committee of the Company on 10 May 2004. He was also appointed as a member of both the Remuneration and Nomination Committees of the Company on 4 February 2005. He graduated from the Faculty of Sciences, University of Southern California. He has attended all four Board meetings held during the financial year.

He joined the National Computer Board, Singapore as Analyst in the Government Systems Division in 1990 before joining the Bank of Asia Singapore in year 1994. Currently he is holding a managerial post in MCL Land Ltd, Singapore. 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 shareholdings of 2,544,000 ordinary shares of RM1.00 each in the Company.

Toshihiro Yamamoto, a Japanese, aged 50 years, was first appointed to the Board of Directors of Perstima on 4 February 2005 as Executive Director. He graduated from University of Tokyo, Japan, Faculty of Chemical Engineering in March 1978. He has attended one out of the four Board meetings held during the financial year since coming on Board on 4 February 2005.

He joined NKK Corporation, Fukuyama Works, Japan in 1978 and held various senior positions at different fields such as Tin Mill Product Department, Coated Steel Department, Processing Planning Department, Sales Department and also Tin Mill Product Design & Quality Control. In April 2003, he was with JFE Steel Corporation, Head Office (after the merger of JFE steel & NKK Corporate) and was assigned to the Cold Rolled & Coated sheet section as well as Production Design & Quality Control Department before he joined Perstima as Factory Manager in November 2004. 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.

Shuichi Yoshida, a Japanese, aged 47 years, was first appointed to the Board of Directors of Perstima on 18 May 2005 as Non-Executive Director. He graduated from the Faculty of Law, University of Waseda, Japan in 1981.

He joined Mitsui & Co., Ltd. in 1981 and held various senior positions at different fields particularly in the Tin Mill Products Overseas Department. In 1990 to 1992, he was seconded to Mitsui & Co. Iran., Tehran as Manager before seconded to Mitsui & Co., UK Plc, London in 1997. He was promoted as General Manager in year 2002. In 2005, he was back with Mitsui Japan as General Manager till to-date. 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.

Che Alias bin Ismail, a Malaysian, aged 53 years, was first appointed to the Board of Directors of Perstima on 31 October 2002 as Executive Director. He graduated with a B.Sc (Hons.) Electrical And Electronic, University of Wales, United Kingdom. He has attended all four Board meetings held during the financial year.

He joined Dunlop Malaysia Industries Berhad in 1980 as an Electrical Engineer before he joined Perstima in 1981 as an Electrical Engineer and promoted as a Deputy Factory Manager in April 1996 and subsequently being designated as a Special Advisor to Factory Manager in February 2005. He has held various senior positions at different fields such as Maintenance Department and Production Department in Perstima.

He is a member of The Technological Association of Malaysia, Graduate member of Institution of Engineering Malaysia, Member of the Association for Overseas Technical Acts Centre (Japan) and Registered Graduate Engineers. 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 shareholdings of 3,600 ordinary shares of RM1.00 each in the Company.

He has resigned as a Director of the Company on 6 June 2005.





CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Perusahaan Sadur Timah Malaysia (PERSTIMA) Berhad, and its subsidiaries ("the Group") for the year ended 31 March 2005.

Performance and Development

During the financial year under review, our Group has recorded a turnover of RM670million, an increase of 77.5% as compared to the previous year. The substantial increase in turnover was mainly attributable to sales of tinplates to local Malaysian can makers as the global supply situation of tinplates was tight during the year under review. There were less supply from overseas suppliers which encouraged local Malaysian can makers to buy more from Perstima compared to the previous year. Apart from the above, contribution from Perstima (Vietnam) Co., Ltd ("PVCL") was the other contributing factor for the increase in turnover. PVCL, has successfully achieved capacity utilization up to 60% and has recorded a turnover of RM157.7 million for the year under review.

The Group recorded a profit before taxation of RM51.2 million compared to RM23.2 million in the previous year.

Dividend

An interim dividend of 7 sen less 28% income tax was paid on 21 December 2004, and the Board has recommended a final dividend of 8 sen per ordinary shares of RM1.00 each less 28% income tax for the financial year ended 31 March 2005.

Industry and Prospects

The Board expects the Group's operational environment to remain challenging and competitive. The tight global supply of tinplates and increase of steel prices are expected to continue due to the increase in demand from the China market. This will pave the way for other packaging materials to make further inroads into the tinplates packaging market. The Group is fully aware of such market movements and is gearing up to face those challenges. PVCL is expected to continue to contribute positively to the Group. Barring any unforeseen circumstances, the Board is confident that the Group can maintain satisfactory performance.

Acknowledgement

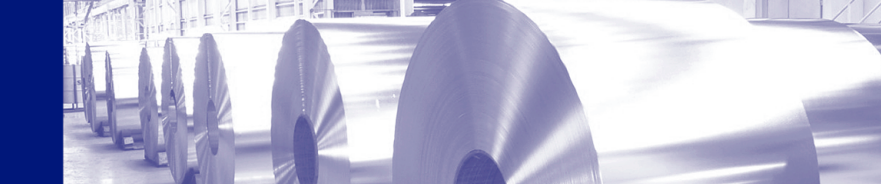
On behalf of the Board, I wish to express my deep appreciation to the Management and employees for their hard work and dedication and to thank our shareholders, customers, bankers, suppliers, business associates and relevant government authorities for their support and confidence in us. Finally, I would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

TAN SRI AB. RAHMAN OMAR

Chairman

18 May 2005





CORPORATE GOVERNANCE STATEMENT

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

The Board recognizes the importance of corporate governance and is committed to comply with the Code in discharging its responsibilities in achieving the above objectives by taking various measures to enhance its corporate governance practices. Any areas where the Company has not complied with the Code are explained in this report.

Principles Statement

The following statement sets out how the Company has applied the principles of good corporate governance and compliance with the best practices as set out in the Malaysian Code on Corporate Governance.

A DIRECTORS

Board of Directors

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

The Board has a formal schedule of the matters reserved to itself for decision, which includes the overall Group 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 Group.

Meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year, the Board met on four (4) occasions, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions and business plan and direction of the Group.

Details of each Director's attendance of the meetings held during the financial year ended 31 March 2005 are as follows: -

Name	Designation	No. of Meetings attended
Tan Sri Ab. Rahman bin Omar	Chairman, Non Executive Director	4/4
Hiroshi Kume	Managing Director	4/4
Hiroshi Sumino	Deputy Managing Director	4/4
Ab Patah bin Mohd	Executive Director	4/4
Toshihiro Yamamoto	Executive Director	1/4*
Che Alias bin Ismail	Executive Director	4/4 [#]
Harun bin Ismail	Independent Non-Executive Director	4/4
Ng Tuan Hoo	Independent Non-Executive Director	4/4
Ghazali@ Razali bin Ismail	Independent Non-Executive Director	4/4
Yusuf bin Jamil	Independent Non-Executive Director	4/4
Rin Nan Yoong	Independent Non-Executive Director	4/4
Todomu Kobayashi	Non-Executive Director	4/4
Shuichi Yoshida	Non-Executive Director	0/4**

* Attended all the Board Meetings held since his appointment on 4 February 2005.

** Appointed on 18 May 2005.

[#] Resigned on 6 June 2005.





CORPORATE GOVERNANCE STATEMENT

The Board receives Board papers on the matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. 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, as follows:

Board Committee	Key Functions
Audit Committee	Explained on pages 16 to 19 of this annual report
Remuneration Committee	Explained on pages 12 to 13 of this annual report
Nomination Committee	Explained on pages 11 to 12 of this annual report

All committees have written terms of reference and the Chairman of the various committees will report to the Board on the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting. These committees are formed in order to enhance business and operational efficiency as well as efficacy. Prior to the establishment of these committees, their functions were assumed by the Board as a whole.

Board Balance

The Board currently has twelve (12) Directors comprising four (4) Executive Directors and eight (8) Non-Executive Directors of whom five (5) are Independent Directors. The Board has met with the requirements of Para 15.02 of Bursa Securities 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 Directors, with their different backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as marketing, business, operations and finance. Their expertise, experience and background are vital for the strategic direction of the Group. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors play an important role in ensuring that the views provided are professional, independent and that the advice and judgment made on issues and decisions are in the best interest of the shareholders and the Group.

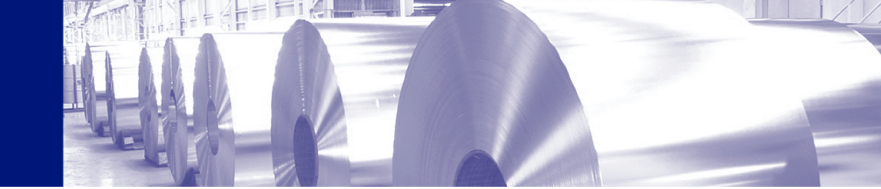
There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Tan Sri Ab. Rahman bin Omar as the Non-Executive Chairman and the executive management of the Company is led by Mr. Hiroshi Kume, the Company's Managing Director.

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

Currently, the Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Company has created a special email address at amrul@perstima.com.my specifically for the purpose whereby shareholders or other parties may direct any queries or concerns pertaining to the Company. Such queries will be reviewed and addressed by the Board accordingly.

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





CORPORATE GOVERNANCE STATEMENT

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 all the 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 Executive Directors lead the presentation and provides explanation on the paper during the meeting.

Every Director also has unhindered access to the Senior Management and 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
Rin Nan Yoong	- Independent Non-Executive Director

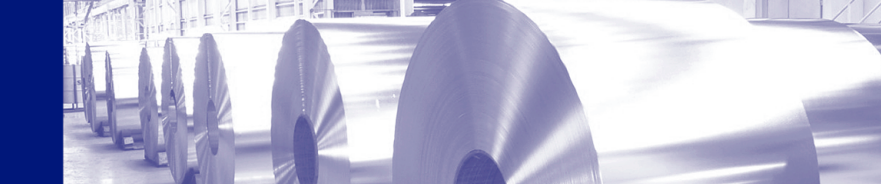
The Committee consists entirely of Non-Executive Directors, all of whom are independent.

The Nomination Committee is responsible for making recommendations 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 Nomination Committee also systematically assesses the effectiveness of the Board, its committees and the contribution of each individual Director on an annual basis.

The Committee met once during the financial year. The Deputy Managing Director and the Executive Directors upon the invitation of 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 Secretaries will ensure that all appointments are properly made, that all information necessary is obtained, as well as all legal and regulatory obligations are met.





CORPORATE GOVERNANCE STATEMENT

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 and all the members of the Board save as for Mr. Shuichi Yoshida who was appointed only on 18 May 2005, have attended the Mandatory Accreditation-Program (MAP). It is the intention of Mr. Shuichi Yoshida to complete the MAP with the timeframe stipulated by Bursa Securities. 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. A majority of the Directors have achieved the required seventy-two (72) Continuing Education Programme (CEP) points for the year 2004. An extension of time until 31 December 2005 has been given by Bursa Securities to the Directors who have yet to accumulate the required seventy-two (72) CEP points for year 2004.

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.

B DIRECTORS' REMUNERATION

Remuneration Committee

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

Ng Tuan Hoo	- Chairman, Independent Non- Executive Director
Harun bin Ismail	- Independent Non- Executive Director
Rin Nan Yoong	- Independent Non- Executive Director
Hiroshi Sumino	- Deputy Managing 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.





CORPORATE GOVERNANCE STATEMENT

Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 March 2005 were as follows: -

	RM'000			
	Fees	Emoluments	Benefit -in-kind	Total
Executive Directors	211	1,727	34	1,972
Non-Executive Directors	349	0	0	349

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

Remuneration Bands (RM)	Executive Directors	Non-Executive Directors
1 - 50,000		7
50,001 - 100,000	1	
100,001 - 150,000		1
150,001 - 200,000		
200,001 - 250,000	1	
250,001 - 300,000	1	
300,001 - 350,000	1	
350,001 - 500,000	1	
500,001 - 600,000	1	

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

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.

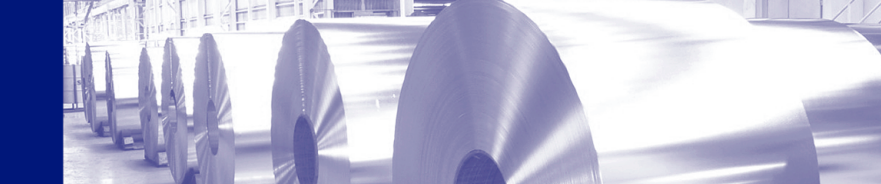
The shareholders and investors are also able to access the corporate, financial and market information of the Company from Bursa Malaysia's listed companies information at Bursa Malaysia's website.

D ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring that accurate and timely announcements of the Group's quarterly financial statements are made on a quarterly basis. The Board also approves the annual financial statements before submission to Bursa Securities and sending to the shareholders. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.





CORPORATE GOVERNANCE STATEMENT

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 Group give a true and fair view of the state of affairs of the Group as at the end of the accounting period and of their Income Statements and cash flow 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 judgments 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 Group and to prevent and detect fraud and other irregularities.

Internal Control

The Statement on Internal Control furnished on pages 20 to 21 of the annual report provides an overview of the state of internal control of the Group.

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 19.

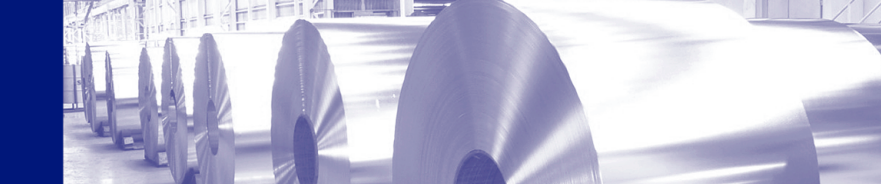
OTHER INFORMATION

Material Contracts

As at 31 March 2005, save as disclosed below, there were no material contracts entered into by the Company involving Directors' and major shareholders' interests. JFE Shoji Trade Corporate & its subsidiary and Mitsui & Co., Ltd. are substantial shareholders of the Company and none of the Company's Directors have any interest in JFE Shoji Trade Corporate or Mitsui & Co., Ltd.

Date	Party	Nature	Total contract (RM'000)	Term	Contract outstanding (RM'000)
Dec 2004, Feb and March 2005	JFE Shoji Trade Corporate	Supply of Raw Materials, Plant and Equipment	42,911	Cash	9,191
Feb and March 2005	Mitsui & Co. , Ltd.	Supply of Raw Materials	46,417	Cash	8,028





CORPORATE GOVERNANCE STATEMENT

Recurrent Related Party Transactions

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

Type Of Transactions	Party & Relationship	Total (RM'000)
Purchase of raw materials, consumables and plant and equipment	JFE Shoji Trade Corporation, a substantial shareholder of the Company	341,975
Purchase of raw materials	Mitsui & Co., Ltd, a substantial shareholder of the Company	188,217

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

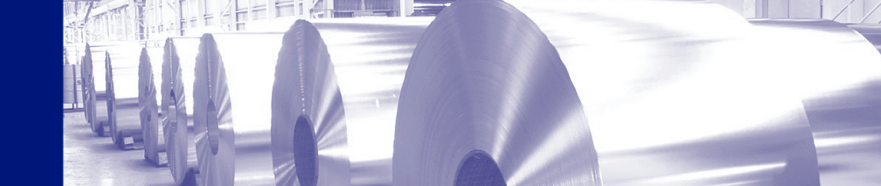
Non-Audit Fee

The amount of non-audit fees paid and payable to the external auditors by the Company for the financial year ended 31 March 2005 amounted to RM9,000.

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 MEMBERS

Harun bin Ismail

- Chairman / Independent Non-Executive Director

Ng Tuan Hoo

- Independent Non-Executive Director

Rin Nan Yoong

- 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: -

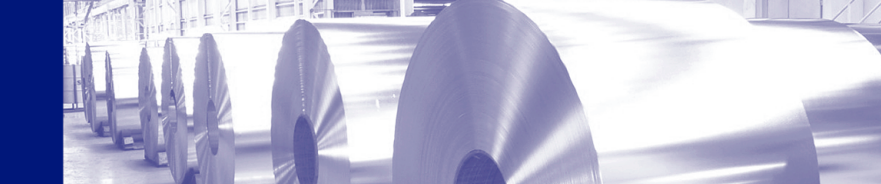
- a) The audit committee must be composed of no fewer than 3 members;
- b) A majority of the audit committee must be independent directors; and
- c) At least one member of the audit committee: -
 - i) Must be a member of the Malaysian Institute of Accountants; or
 - ii) If he is not a member of the Malaysian 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.
 - iii) He must be a person who fulfills the requirements as may be prescribed by Bursa Securities and / or such other relevant authorities from time to time.

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.





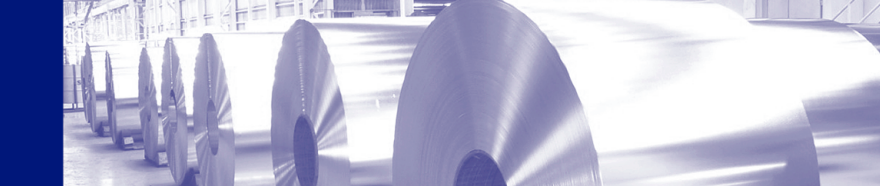
AUDIT COMMITTEE REPORT

3. FUNCTIONS

The functions of the Audit Committee are as follows: -

- a) To 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 Group's employees to the external auditors; and
 - v) Any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- c) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly and year-end financial statements of the Group, focusing particularly on: -
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption; and
 - 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; and
- 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 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 Secretaries 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 the 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 management staff attend any particular audit committee meeting specific to the relevant meeting.

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 2005 included the following:-

- a) Reviewed the external auditors' scope of work and audit plan 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 Group 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 approved accounting standards approved by the regulatory authorities.
- e) Discussed Bursa Securities Listing Requirements and its Practice Notes, particularly on the Malaysian Code on Corporate Governance and the Statement on Internal Control.
- f) Reviewed the revised Audit Committee Charter in compliance with Bursa Securities Listing Requirements.





AUDIT COMMITTEE REPORT

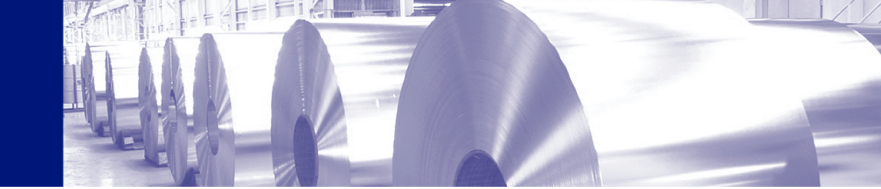
- g) Reviewed the quarterly unaudited financial results and position announcements before recommending them for the Board's approval. The review and discussions were conducted with the Management.
- h) Reviewed the Company's procedures in respect of the recurrent related party transactions to satisfy 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 meetings and where appropriate made the necessary recommendations to the Board.

The individual member's attendance of the meetings held during the financial year ended 31 March 2005 were as follows:-

Members	Designation	No. of meetings attended
Harun bin Ismail	Chairman/Independent Non- Executive Director	6/6
Ng Tuan Hoo	Independent Non- Executive Director	6/6
Rin Nan Yoong	Independent Non- Executive Director	4/6*
Hiroshi Sumino	Deputy Managing Director	6/6

* Attended all the Audit Committee Meetings held since his appointment on 10 May 2004.





STATEMENT ON INTERNAL CONTROL

(Pursuant to para 15.27(b) of Bursa Securities Listing Requirements)

BOARD'S RESPONSIBILITIES

The Board recognises that it is responsible for the Group'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 eliminating the risk of failure to achieve business objectives.

RISK MANAGEMENT FRAMEWORK

The Board recognises the need for an effective risk management practice and to maintain a sound system of internal control. Hence, the Board has formalized and established the risk management framework for the Group in May 2003. Workshop and interviews were conducted with the senior management staff of the Group to identify and evaluate the significant risks faced by the Group. Annual review was conducted by the Risk Management Committee in the month of January 2005 to update the risk status of the Group.

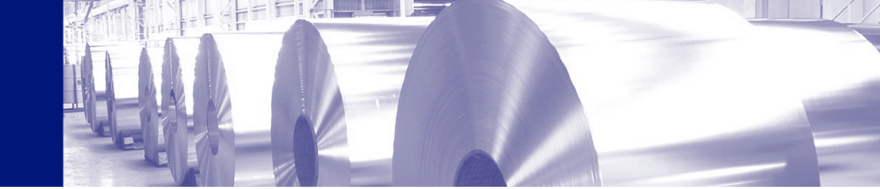
Detail risk registers of the principal risks and controls have been created and a risk profile for the Group has been developed and is reviewed by the Board of directors on annual basis.

The risk management framework is established to create awareness among all management staff on the identification, measurement and control of the significant risk areas in the Group. However, the risk management exercise did not include the Group's newly established subsidiary in Vietnam during the financial year.

SYSTEM OF INTERNAL CONTROL

The Board recognises the need for an internal audit function. However, there is still an absence of this function to-date because the Board is of the opinion that the present control mechanisms are sufficient for the size of the Group. Currently, two of the Executive Directors who also held the position of the General Manager and the Factory Manager, through their day-to-day involvement in the business operations and attended the operational and management level meetings, manage and monitor the Company's direction, operational effectiveness and efficiency, and adherence to the Company's policies and procedures. The Executive Directors will inform the Board of any significant matters, which require the Board's attention or intervention or Board-level decision-making. The monitoring and management of the Company as a whole is delegated to Executive Directors who take on the role of Managing Director, Deputy Managing Director, General Manager and Factory Manager. Monthly senior management meetings supported by relevant written reports headed by the 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 Directors, to communicate and address significant matters in relation to the Group's strategic, operational and financial affairs.





STATEMENT ON INTERNAL CONTROL

The Group's internal controls, amongst others include:-

Annual Budget

The Board has reviewed and approved the Group's budget for the year including major capital expenditure. As part of the budgeting process, the Group considers both internal and external risk factors that may affect the Group's profitability. This includes analysing the Group's historical performance, competitors, customers' requirements and customers' business trends, production capacity and other internal resources. At each quarterly Audit Committee Meetings and 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.

Financial Limits And Approving Authority

The Group 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 Group's strategic objectives.

Other Control Processes

The Board recognises the importance of maintaining a control conscious culture throughout the Group. The Group's organisation structure, including the Vietnam operations, identifies the heads of each department, supervisors and their subordinates. The structure enables a clear reporting line from worker level up to the Board. The Board formally communicates its expectation throughout the Group 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 Group through the Executive Directors who are actively involved in the operations of the Group.

The Board of Directors

Perusahaan Sadur Timah Malaysia (PERSTIMA) Berhad

18 May 2005





DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

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 2005.

Principal activities

The principal activities of the Company consist of those relating to the manufacturing and sale of tinplates. The principal activities of its subsidiaries are disclosed in Note 3 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	<u>41,277</u>	<u>29,273</u>

Dividends

Since the end of previous financial year, the Company paid:

- a final dividend of 7 sen tax exempt per ordinary share totalling RM6,628,169 in respect of the year ended 31 March 2004 on 17 September 2004; and
- an interim dividend of 7 sen less tax per ordinary share totalling RM4,813,247 in respect of the year ended 31 March 2005 on 21 December 2004.

The Directors proposed a final dividend of 8 sen less tax per ordinary share totalling RM5,503,528 in respect of the year ended 31 March 2005 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 2006.

Reserves and provisions

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

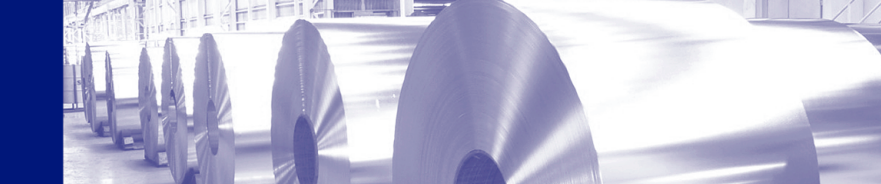
Directors of the Company

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

Mr. Hiroshi Kume
Tan Sri Ab. Rahman bin Omar
Mr. Todomu Kobayashi
En. Ab. Patah bin Mohd
Mr. Hiroshi Sumino
En. Yusuf bin Jamil
En. Harun bin Ismail
En. Ghazali @ Razali bin Ismail

Mr. Ng Tuan Hoo
En. Che Alias bin Ismail
Mr. Rin Nan Yoong
Mr. Toshihiro Yamamoto (appointed on 4 February 2005)
Mr. Shuichi Yoshida (appointed on 18 May 2005)
Mr. Shinichiro Muto (resigned on 8 December 2004)
Mr. Ichiro Sasaki (resigned on 9 February 2005)





DIRECTORS' REPORT *FOR THE YEAR ENDED 31 MARCH 2005*

Directors' interests

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

Name of Directors	Interest	Number of ordinary shares of RM1.00 each			At 31.3.2005
		At 1.4.2004	Bought	Sold	
Company					
Mr. Hiroshi Kume	Deemed	32,737,544	--	(120,000)	32,617,544
Tan Sri Ab. Rahman bin Omar	Deemed	32,737,544	--	(120,000)	32,617,544
En. Ab. Patah bin Mohd	Direct	100	--	--	100
Mr. Hiroshi Sumino	Direct	--	120,000	--	120,000
Mr. Rin Nan Yoong	Direct	2,284,000	260,000	--	2,544,000
En. Che Alias bin Ismail	Direct	3,600	--	--	3,600

By virtue of their interests in the shares of the Company, Mr. Hiroshi Kume and Tan Sri Ab. Rahman bin Omar are also deemed interested in the shares of the subsidiaries.

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 corporations during the year.

Directors' benefits

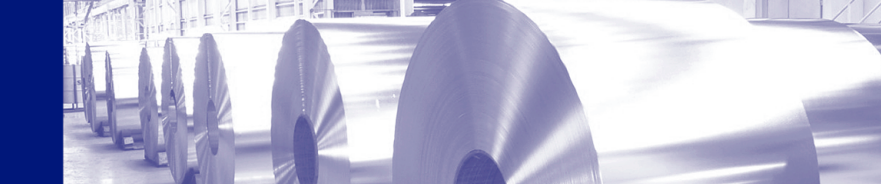
Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Issue of shares

During the financial year, the Company issued 1,378,233 shares of RM1.00 each for cash arising from the conversion of warrants on the basis of one ordinary share at the price of RM1.00 per ordinary share for every warrant held.





DIRECTORS' REPORT *FOR THE YEAR ENDED 31 MARCH 2005*

Options granted over unissued shares

No options were granted to any person to take up 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, 4,400,701 of 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) all known bad debts have been written off and adequate provision has been made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

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

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

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

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the year ended 31 March 2005 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.

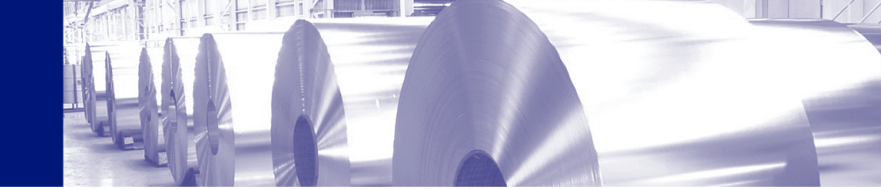
Signed in accordance with a resolution of the Directors:

Hiroshi Kume
Director

Hiroshi Sumino
Director

Johor Bahru,
18 May 2005





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 27 to 48, are 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 the state of affairs of the Group and of the Company at 31 March 2005 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,
18 May 2005

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

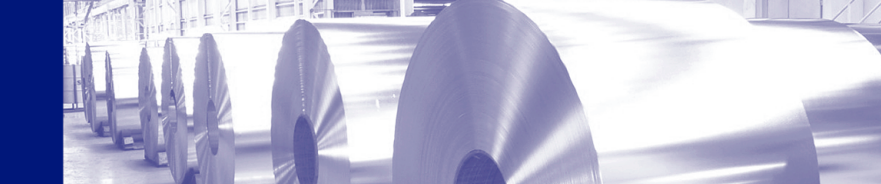
I, **Tan Siew Chu**, the officer primarily responsible for the financial management of PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 27 to 48 are, to the best of my knowledge and belief, correct and I make this solemn 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 at Johor Bahru in the State of
Johor on 18 May 2005

Tan Siew Chu

Before me:
R. Ramasamy (No. J-058)
Commissioner For Oaths





REPORT OF THE AUDITORS

TO THE MEMBERS OF PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD

We have audited the financial statements set out on pages 27 to 48. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 2005 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 subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the financial statements and we have considered their financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries that have 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 subsidiaries were 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

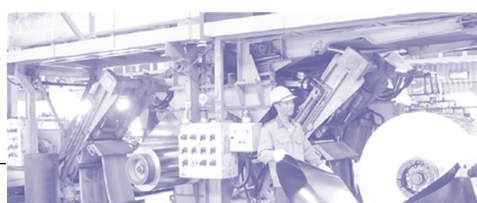
Lee Soon Teck

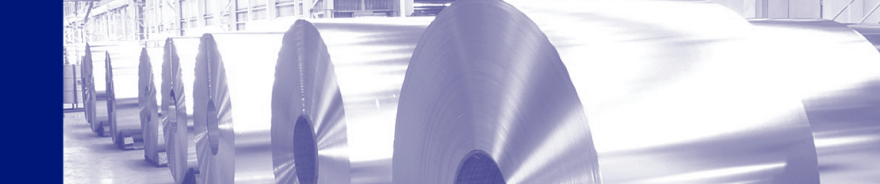
Partner

Approval Number: 1587/06/06 (J)

Johor Bahru,

18 May 2005





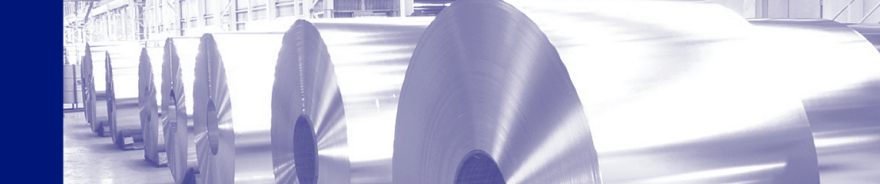
BALANCE SHEETS AT 31 MARCH 2005

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment	2	86,873	96,888	43,122	49,813
Investments in subsidiaries	3	--	--	30,400	30,400
Due from subsidiaries	4	--	--	27,800	27,033
Deferred tax assets	5	199	--	--	--
		<u>87,072</u>	<u>96,888</u>	<u>101,322</u>	<u>107,246</u>
Current assets					
Inventories	6	116,613	72,030	68,497	49,280
Trade and other receivables	7	86,623	54,654	75,547	52,917
Cash and cash equivalents	8	30,444	45,196	27,180	40,159
		<u>233,680</u>	<u>171,880</u>	<u>171,224</u>	<u>142,356</u>
Current liabilities					
Trade and other payables	9	48,782	26,443	28,868	18,002
Borrowings	10	94,838	91,315	71,130	75,097
Taxation		5,500	4,310	5,500	4,310
		<u>149,120</u>	<u>122,068</u>	<u>105,498</u>	<u>97,409</u>
Net current assets		<u>84,560</u>	<u>49,812</u>	<u>65,726</u>	<u>44,947</u>
		<u>171,632</u>	<u>146,700</u>	<u>167,048</u>	<u>152,193</u>
Financed by:-					
Capital and reserves					
Share capital	11	95,547	94,169	95,547	94,169
Reserves	12	61,874	32,340	68,741	50,909
		<u>157,421</u>	<u>126,509</u>	<u>164,288</u>	<u>145,078</u>
Long term and deferred liabilities					
Borrowings	10	11,451	13,076	--	--
Deferred tax liabilities	5	2,760	7,115	2,760	7,115
		<u>14,211</u>	<u>20,191</u>	<u>2,760</u>	<u>7,115</u>
		<u>171,632</u>	<u>146,700</u>	<u>167,048</u>	<u>152,193</u>

The financial statements were approved and authorised for issue
by the Board of Directors on 18 May 2005

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





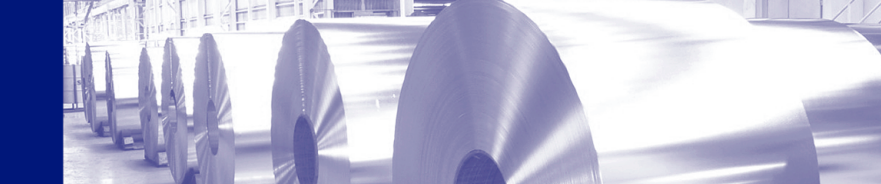
INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue					
Sale of goods		669,739	377,237	512,029	359,080
Cost of sales		(602,620)	(339,289)	(461,806)	(322,343)
Gross profit		67,119	37,948	50,223	36,737
Distribution costs		(6,526)	(7,330)	(5,318)	(7,055)
Administration expenses		(9,368)	(7,453)	(7,266)	(5,247)
Other operating expenses		(1,117)	(1,083)	(450)	(686)
Other operating income		3,633	3,947	2,466	18,913
Operating profit	13	53,741	26,029	39,655	42,662
Interest expense		(3,327)	(3,421)	(1,763)	(2,028)
Interest income		776	616	1,493	572
Profit before tax		51,190	23,224	39,385	41,206
Tax expense	14	(9,913)	(5,928)	(10,112)	(5,928)
Net profit for the year		41,277	17,296	29,273	35,278
Basic earnings per ordinary share (sen)	15	43.6	18.6		
Diluted earnings per ordinary share (sen)	15	42.4	18.2		
Dividends per ordinary share (sen) - net	16	10.8	12.0	10.8	12.0

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





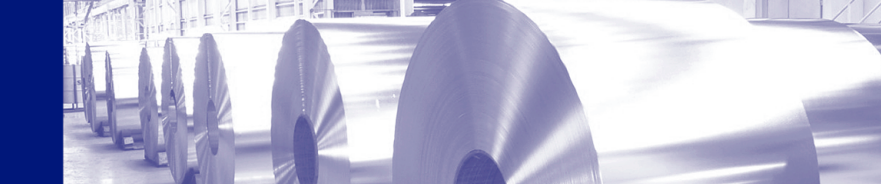
STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

	Note	Share capital RM'000	Non-distributable Revaluation reserves RM'000	Translation reserve RM'000	Distributable Retained profits RM'000	Total RM'000
Group						
At 1 April 2003		87,958	196	--	24,707	112,861
Issue of shares						
- Conversion of warrants	11	6,211	--	--	--	6,211
Net losses not recognised in the income statements						
Exchange differences on translation of the financial statements of a foreign subsidiary		--	--	(582)	--	(582)
Net profit for the year		--	--	--	17,296	17,296
Dividends						
- 2003 Final	16	--	--	--	(4,569)	(4,569)
- 2004 Interim	16	--	--	--	(4,708)	(4,708)
		--	--	--	(9,277)	(9,277)
At 31 March 2004		94,169	196	(582)	32,726	126,509
Issue of shares						
- Conversion of warrants	11	1,378	--	--	--	1,378
Net losses not recognised in the income statements						
Exchange differences on translation of the financial statements of a foreign subsidiary		--	--	(302)	--	(302)
Net profit for the year		--	--	--	41,277	41,277
Dividends						
- 2004 Final	16	--	--	--	(6,628)	(6,628)
- 2005 Interim	16	--	--	--	(4,813)	(4,813)
		--	--	--	(11,441)	(11,441)
At 31 March 2005		95,547	196	(884)	62,562	157,421

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





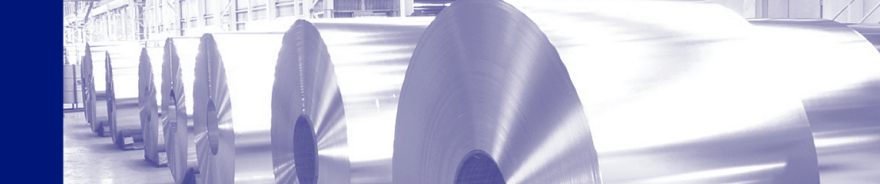
STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005 (CONTINUED)

	Note	Share capital RM'000	Non- distributable Revaluation reserves RM'000	Distributable Retained profits RM'000	Total RM'000
Company					
At 1 April 2003		87,958	196	24,712	112,866
Issue of shares					
- Conversion of warrants	11	6,211	--	--	6,211
Net profit for the year		--	--	35,278	35,278
Dividends					
- 2003 Final	16	--	--	(4,569)	(4,569)
- 2004 Interim	16	--	--	(4,708)	(4,708)
		--	--	(9,277)	(9,277)
At 31 March 2004		94,169	196	50,713	145,078
Issue of shares					
- Conversion of warrants	11	1,378	--	--	1,378
Net profit for the year		--	--	29,273	29,273
Dividends					
- 2004 Final	16	--	--	(6,628)	(6,628)
- 2005 Interim	16	--	--	(4,813)	(4,813)
		--	--	(11,441)	(11,441)
At 31 March 2005		95,547	196	68,545	164,288

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





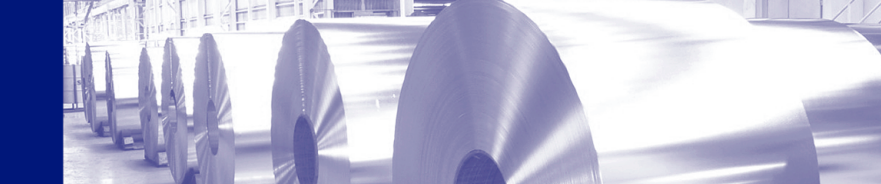
CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from operating activities				
Profit before tax	51,190	23,224	39,385	41,206
Adjustments for:-				
Unrealised loss on foreign exchange	280	579	--	--
Depreciation	14,379	12,666	10,600	10,585
Interest expense	3,327	3,421	1,763	2,028
Interest income	(776)	(616)	(1,493)	(572)
Gain on disposal of property, plant and equipment	(52)	(85)	(52)	(15,788)
Operating profit before working capital changes	68,348	39,189	50,203	37,459
Changes in working capital:				
Inventories	(44,583)	(34,799)	(19,217)	(12,049)
Trade and other receivables	(32,249)	(13,857)	(22,484)	(1,826)
Trade and other payables	22,339	4,765	10,866	1,281
Cash generated from/(used in) operations	13,855	(4,702)	19,368	24,865
Income taxes paid	(13,277)	(6,589)	(13,277)	(6,589)
Net cash generated from/(used in) operating activities	578	(11,291)	6,091	18,276
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,848)	(21,577)	(3,919)	(8,068)
Investment in a subsidiary	--	--	--	(20,091)
Proceeds from disposal of property, plant and equipment	62	114	62	114
Interest received	776	616	580	572
Net cash used in investing activities	(4,010)	(20,847)	(3,277)	(27,473)

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





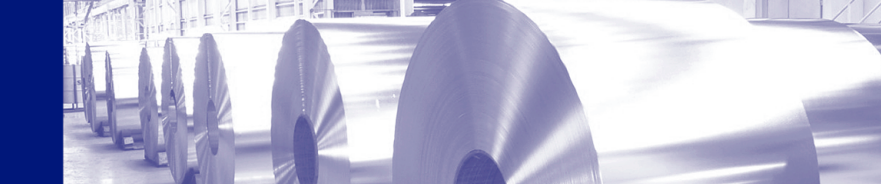
CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005 (CONTINUED)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from financing activities				
Proceeds from issue of shares	1,378	6,211	1,378	6,211
Net short term borrowings	1,617	40,358	(3,965)	24,140
Drawdown of term loan	283	13,076	--	--
Dividends paid to shareholders	(11,441)	(9,277)	(11,441)	(9,277)
Interest paid	(3,327)	(3,421)	(1,763)	(2,028)
Net cash (used in)/generated from financing activities	(11,490)	46,947	(15,791)	19,046
Exchange differences on translation of the financial statements of foreign operations	172	63	--	--
Net (decrease)/increase in cash and cash equivalents	(14,750)	14,872	(12,977)	9,849
Cash and cash equivalents at beginning of year	45,194	30,322	40,157	30,308
Cash and cash equivalents at end of year	30,444	45,194	27,180	40,157
Cash and cash equivalents comprise:				
Cash and bank balances	10,683	7,859	7,419	2,822
Deposits with licensed banks	19,761	37,337	19,761	37,337
Bank overdraft	--	(2)	--	(2)
	30,444	45,194	27,180	40,157

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





NOTES TO THE FINANCIAL STATEMENTS

1. Summary of 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 on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia in all material respect.

(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.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

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

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Property, plant and equipment

Property, plant and equipment except for capital work-in-progress are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

It is the Group's policy to state its property, plant and equipment at cost. Revaluation of 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.

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.

Depreciation

Leasehold land is amortised in equal instalments over the period of respective leases which range from 38 to 99 years while buildings are depreciated on a straight-line basis over 5 to 25 years. Other 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 other plant and equipment over their estimated useful lives as follows:

Plant and machinery	5 - 15 years
Furniture, fittings and equipment and motor vehicles	3 - 5 years

(d) Investments

Long term investments in subsidiaries are stated at cost in the Company, less impairment loss where applicable.





NOTES TO THE FINANCIAL STATEMENTS

(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 an appropriate proportions of production overhead.

(f) Trade and other receivables

Trade and other receivables and amounts due from subsidiaries are stated at cost less allowance for doubtful debts.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments 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 and pledged deposits.

(h) Liabilities

Borrowings, trade and other payables are stated at cost.

(i) Impairment

The carrying amount of assets, other than inventories, deferred tax assets and financial assets (other than investments in subsidiaries) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(j) Income tax

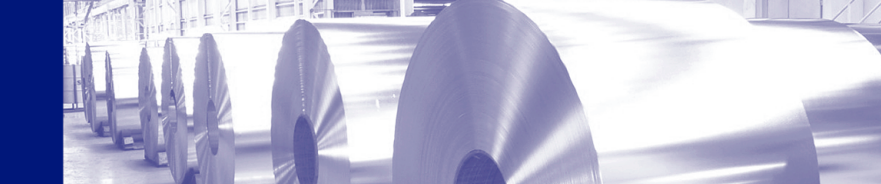
Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.





NOTES TO THE FINANCIAL STATEMENTS

(k) Foreign currency

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.

ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

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

	<u>2005</u>	<u>2004</u>
	RM	RM
1 US Dollar	3.800	3.800
100 Vietnamese Dong	0.024	0.024
100 Japanese Yen	3.538	3.575

(l) Revenue

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.

(m) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(n) Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred.

(o) Employee benefits

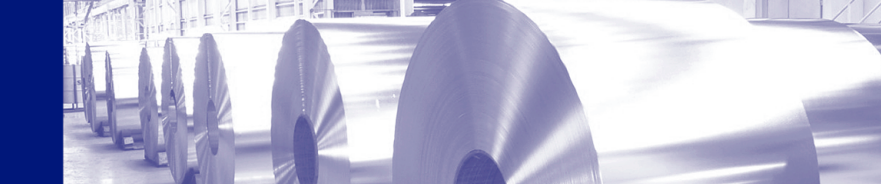
i) Short term employee benefits

Wages, salaries and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, if any and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

ii) Defined contribution plan

Obligations for contributions to defined contribution plan are recognised as an expense in the income statement as incurred.





NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment

Group Cost/Valuation	Land and 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
Opening balance	53,289	203,772	12,085	156	269,302
Reclassification	--	168	(168)	--	--
Additions	347	3,831	464	206	4,848
Transfer	14	259	62	(335)	--
Disposal	--	--	(98)	--	(98)
Exchange differences	(157)	(354)	(5)	--	(516)
Closing balance	53,493	207,676	12,340	27	273,536
Representing items at:					
Cost	25,838	207,676	12,340	27	245,881
Directors' valuation	27,655	--	--	--	27,655
	53,493	207,676	12,340	27	273,536
Depreciation and impairment losses					
Accumulated depreciation	15,394	146,934	9,038	--	171,366
Accumulated impairment losses	1,048	--	--	--	1,048
Opening balance	16,442	146,934	9,038	--	172,414
Reclassification	--	14	(14)	--	--
Depreciation charge for the year	2,064	11,272	1,043	--	14,379
Disposal	--	--	(88)	--	(88)
Exchange differences	(7)	(33)	(2)	--	(42)
Accumulated depreciation	17,451	158,187	9,977	--	185,615
Accumulated impairment losses	1,048	--	--	--	1,048
Closing balance	18,499	158,187	9,977	--	186,663
Net book value					
At 31 March 2005	34,994	49,489	2,363	27	86,873
At 31 March 2004	36,847	56,838	3,047	156	96,888
Depreciation charge for the year ended 31 March 2004	1,911	9,838	917	--	12,666





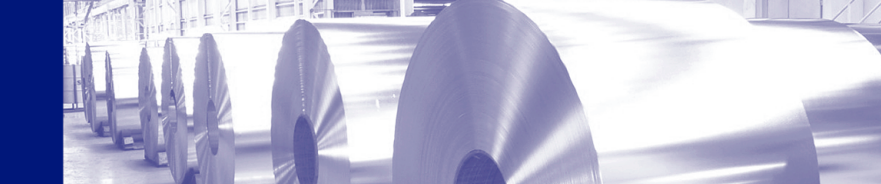
NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

	Land and 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
Company					
Cost/Valuation					
Opening balance	33,365	132,940	11,328	156	177,789
Additions	347	2,976	390	206	3,919
Transfer	14	259	62	(335)	--
Disposal	--	--	(98)	--	(98)
Closing balance	33,726	136,175	11,682	27	181,610
Representing items at:					
Cost	6,071	136,175	11,682	27	153,955
Directors' valuation	27,655	--	--	--	27,655
	33,726	136,175	11,682	27	181,610
Depreciation and impairment losses					
Accumulated depreciation	14,823	103,170	8,935	--	126,928
Accumulated impairment losses	1,048	--	--	--	1,048
Opening balance	15,871	103,170	8,935	--	127,976
Depreciation charge for the year	1,346	8,409	845	--	10,600
Disposal	--	--	(88)	--	(88)
Accumulated depreciation	16,169	111,579	9,692	--	137,440
Accumulated impairment losses	1,048	--	--	--	1,048
Closing balance	17,217	111,579	9,692	--	138,488
Net book value					
At 31 March 2005	16,509	24,596	1,990	27	43,122
At 31 March 2004	17,494	29,770	2,393	156	49,813
Depreciation charge for the year ended 31 March 2004	1,335	8,436	814	--	10,585

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Net book value of land and buildings				
Long term leasehold land	374	379	374	379
Short term leasehold land	14,373	14,801	7,441	7,640
Buildings	20,247	21,667	8,694	9,475
	34,994	36,847	16,509	17,494





NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

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.

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

	Group/Company	
	2005	2004
	RM'000	RM'000
Cost	22,216	22,216
Less: Accumulated depreciation	(15,067)	(14,228)
Net book value	<u>7,149</u>	<u>7,988</u>

Security

Certain property, plant and equipment of the Group and of the Company with a net book value of RM79,770,000 (2004: RM89,285,000) and RM43,122,000 (2004: RM49,813,000) respectively are charged to a bank as security for credit facilities as disclosed in Note 10.

Impairment losses

The impairment losses arises from the Group's and the Company's assessment of the recoverable amount of hostel buildings based on the market value for these buildings.

Others

The gross amount of plant and machinery fully depreciated of the Company but still in use amounted to RM53,715,000 (2004: RM52,994,000).

3. Investments in subsidiaries

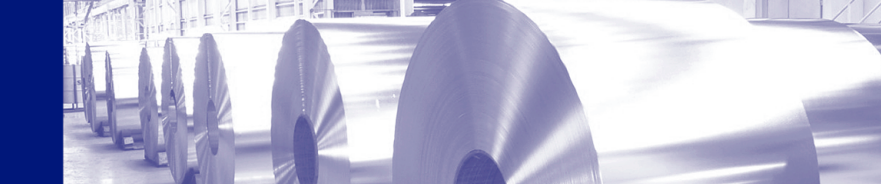
	Company	
	2005	2004
	RM'000	RM'000
Unquoted shares, at cost	<u>30,400</u>	<u>30,400</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective ownership interest	
			2005 %	2004 %
Perstima Tin Plate Sdn. Bhd.	Dormant	Malaysia	100	100
Perstima (Vietnam) Co., Ltd.*	Manufacturing and sale of tinsplates	Vietnam	100	100

* Audited by member of firms of KPMG International.





NOTES TO THE FINANCIAL STATEMENTS

4. Due from subsidiaries

Company

The amounts due from subsidiaries are non-trade in nature, unsecured and are repayable by 1 September 2009. The amounts due are subject to an interest rate at 4% (2004: NIL) per annum.

5. Deferred tax

The amounts determined after appropriate offsetting are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax liabilities	2,760	7,115	2,760	7,115
Deferred tax assets	(199)	--	--	--
	<u>2,561</u>	<u>7,115</u>	<u>2,760</u>	<u>7,115</u>

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment				
- capital allowances	4,770	6,161	4,770	6,161
- revaluation	1,900	1,952	1,900	1,952
Allowances	(3,910)	(998)	(3,910)	(998)
Unutilised tax losses	(199)	--	--	--
	<u>2,561</u>	<u>7,115</u>	<u>2,760</u>	<u>7,115</u>

6. Inventories

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<i>At net realisable value</i>				
Finished goods	54	1,936	54	1,936
Raw materials	219	264	219	264
	273	2,200	273	2,200
<i>At cost</i>				
Finished goods	27,415	16,434	9,849	6,239
Work-in-progress	927	3,057	927	3,057
Raw materials	81,497	44,355	55,551	36,353
Consumables	6,501	5,984	1,897	1,431
	116,340	69,830	68,224	47,080
	<u>116,613</u>	<u>72,030</u>	<u>68,497</u>	<u>49,280</u>





NOTES TO THE FINANCIAL STATEMENTS

7. Trade and other receivables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	83,386	50,877	73,150	50,867
Other receivables, deposits and prepayments	3,237	3,777	2,397	2,050
	<u>86,623</u>	<u>54,654</u>	<u>75,547</u>	<u>52,917</u>

8. Cash and cash equivalents

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	10,683	7,859	7,419	2,822
Deposits with licensed banks	19,761	37,337	19,761	37,337
	<u>30,444</u>	<u>45,196</u>	<u>27,180</u>	<u>40,159</u>

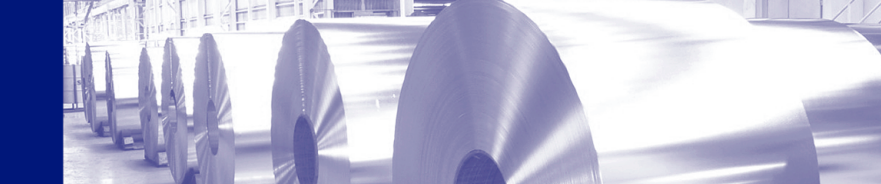
9. Trade and other payables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	24,517	6,978	10,756	2,841
Other payables and accrued expenses	24,265	19,465	18,112	15,161
	<u>48,782</u>	<u>26,443</u>	<u>28,868</u>	<u>18,002</u>

Included in other payables and accrued expenses are:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Other payables	5,268	5,019	944	1,119
Accrued expenses for sales rebate	6,403	6,151	6,403	6,151
Other accrued expenses	12,594	8,295	10,765	7,891
	<u>24,265</u>	<u>19,465</u>	<u>18,112</u>	<u>15,161</u>





NOTES TO THE FINANCIAL STATEMENTS

10. Borrowings

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current				
Secured				
Bankers' acceptances	62,194	75,095	62,194	75,095
Bank overdraft	--	2	--	2
Term loan	1,908	--	--	--
Unsecured				
Bankers' acceptances	8,936	--	8,936	--
Trust receipts	20,905	15,707	--	--
Revolving credit	895	511	--	--
	<u>94,838</u>	<u>91,315</u>	<u>71,130</u>	<u>75,097</u>
Non-current				
Secured				
Term loan	<u>11,451</u>	<u>13,076</u>	<u>--</u>	<u>--</u>
	<u>106,289</u>	<u>104,391</u>	<u>71,130</u>	<u>75,097</u>

The bankers' acceptances, bank overdraft and term loan are secured by way of fixed charges over certain property, plant and equipment of the Group and a debenture over the Company's current and future fixed and floating assets.

The term loan will be repayable in 21 quarterly instalments commencing 19 July 2005. Term loan is subject to interest rates varying between 2.91% and 10.30% (2004: 3.28% and 9.20%) per annum.

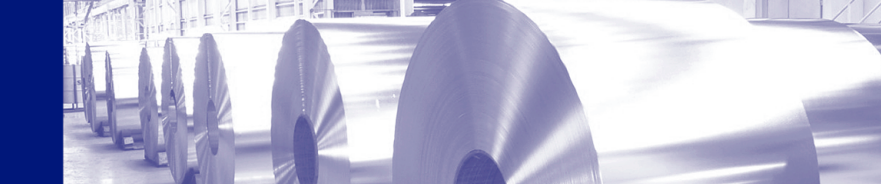
Bankers' acceptances are subject to interest rates varying between 2.89% and 3.11% (2004: 2.92% - 3.30%) per annum. Trust receipts and revolving credit are subject to interest rates at 2.69% to 4.65% (2004: 3.28% to 9.20%) per annum.

11. Share capital

	Group/Company	
	2005 RM'000	2004 RM'000
Ordinary shares of RM1.00 each:		
Authorised	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
Opening balance	94,169	87,958
- Conversion of 1 warrants for new ordinary shares of RM1.00 each during the year	<u>1,378</u>	<u>6,211</u>
Closing balance	<u>95,547</u>	<u>94,169</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, 4,400,701 of the warrants remained unexercised.





NOTES TO THE FINANCIAL STATEMENTS

12. Reserves

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non-distributable				
Revaluation reserves	196	196	196	196
Translation reserve	(884)	(582)	--	--
Distributable				
Retained profits	62,562	32,726	68,545	50,713
	<u>61,874</u>	<u>32,340</u>	<u>68,741</u>	<u>50,909</u>

Subject to agreement by 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 2005.

13. Operating profit

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating profit is arrived at after charging				
Audit fees				
- Company's auditors	59	54	58	53
- Other auditors	27	17	--	--
Allowance for/(Reversal)				
allowance for doubtful debts	247	(953)	247	(953)
Depreciation	14,379	12,666	10,600	10,585
Directors' remuneration				
- Directors' fee	560	455	560	455
- Other emoluments	1,727	1,521	1,616	1,485
Rental of premises and equipment	614	474	168	160
Realised loss on foreign exchange	250	210	--	--
Unrealised loss on foreign exchange	<u>280</u>	<u>579</u>	<u>--</u>	<u>--</u>
and after crediting				
Gain on disposal of property, plant and equipment				
- To a subsidiary	--	--	--	15,703
- To third party	52	85	52	85
Hostel rental income	<u>94</u>	<u>108</u>	<u>94</u>	<u>108</u>

The estimated monetary value of Directors' benefits-in-kind of the Group/Company is RM34,000 (2004: RM68,000).





NOTES TO THE FINANCIAL STATEMENTS

13. Operating profit (continued)

Employee information

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs (including Executive Directors' remuneration)	<u>14,244,000</u>	<u>11,867,000</u>	<u>12,625,000</u>	<u>11,203,000</u>

Staff costs of the Group/Company include contributions to the Employees' Provident Fund of RM914,000 (2004: RM857,000).

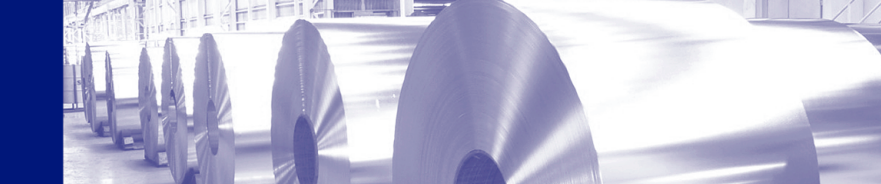
The numbers of employees (including Executive Directors) of the Group and of the Company at the end of the year were 405 (2004: 331) and 251 (2004: 241) respectively.

14. Tax expense

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income tax expense				
- Current year	14,000	9,368	14,000	9,368
- Under/(Over) provision in prior year	467	(91)	467	(91)
	<u>14,467</u>	<u>9,277</u>	<u>14,467</u>	<u>9,277</u>
Deferred tax income				
- Reversal of temporary differences	(3,863)	(3,096)	(3,664)	(3,096)
- Overprovision in prior years	(691)	(253)	(691)	(253)
	<u>(4,554)</u>	<u>(3,349)</u>	<u>(4,355)</u>	<u>(3,349)</u>
	<u>9,913</u>	<u>5,928</u>	<u>10,112</u>	<u>5,928</u>
Reconciliation of effective tax expense				
Profit before tax	<u>51,190</u>	<u>23,224</u>	<u>39,385</u>	<u>41,206</u>
Income tax using statutory tax rates	14,333	6,503	11,028	11,538
Effect of different tax rates in foreign jurisdictions	(1,523)	--	--	--
Non deductible expenses	178	783	180	783
Tax exempt income	(2,036)	--	(256)	--
Tax incentives	(616)	--	(616)	--
Effect of controlled transfer of plant and equipment	--	(1,652)	--	(6,049)
Effect of tax losses recognised	(199)	--	--	--
Deferred tax assets not recognised	--	638	--	--
	<u>10,137</u>	<u>6,272</u>	<u>10,336</u>	<u>6,272</u>
Overprovision in prior years	(224)	(344)	(224)	(344)
Tax expense	<u>9,913</u>	<u>5,928</u>	<u>10,112</u>	<u>5,928</u>

No deferred tax has been recognised for unutilised tax losses in a subsidiary in prior year amounting to RM3,061,000. The amount does not expire under current tax legislation. Deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits.





NOTES TO THE FINANCIAL STATEMENTS

15. 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 RM41,277,000 (2004: RM17,296,000) and the weighted average number of ordinary shares outstanding during the year of 94,783,000 (2004: 92,771,000).

Weighted average number of ordinary shares:

	2005 RM'000	2004 RM'000
Issued ordinary shares at beginning of the year	94,169	87,958
Effect of shares issued during the year	614	4,813
Weighted average number of ordinary shares	<u>94,783</u>	<u>92,771</u>

b) Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM41,277,000 (2004: RM17,296,000) and the weighted average number of ordinary shares outstanding during the year of 97,253,000 (2004: 95,026,000) calculated as follows:

Weighted average number of ordinary shares (diluted)

	2005 RM'000	2004 RM'000
Weighted average number of ordinary shares (basic)	94,783	92,771
Effect of warrants	2,470	2,255
Weighted average number of ordinary shares (diluted)	<u>97,253</u>	<u>95,026</u>

16. Dividends

	Group/Company	
	2005 RM'000	2004 RM'000
Interim paid:		
7 sen less tax (2004 - 5 sen tax exempt) per ordinary share	4,813	4,708
Final paid:		
2004 - 7 sen (2003 - 5 sen) tax exempt per ordinary share	6,628	4,569
	<u>11,441</u>	<u>9,277</u>

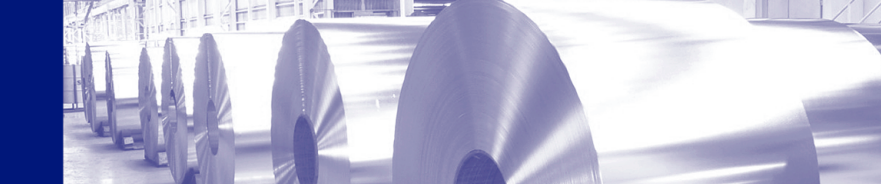
The proposed final dividend of 8 sen less tax per ordinary share totalling RM5,503,528 has not been accounted for in the financial statements.

The net dividend per ordinary share as disclosed in the Income Statements takes into account the total interim and proposed final dividends for the financial year.

17. Capital commitment

	Group	
	2005 RM'000	2004 RM'000
Plant and equipment		
Authorised but not contracted for	5,360	--
Contracted for but not provided for	9,640	--
	<u>15,000</u>	<u>--</u>





NOTES TO THE FINANCIAL STATEMENTS

18. Contingent liabilities (unsecured)

	Company	
	2005 RM'000	2004 RM'000
Corporate guarantees given to a subsidiary for banking facilities	64,600	64,600

19. Annual management fee commitment

In respect of the acquisition of a leasehold land by a subsidiary, the Group and the subsidiary have committed to an annual management fee of RM138,000 for the maintenance of common infrastructure maintenance costs over the period of the leasehold land of 42 years.

The total future minimum payments of non-cancellable management fee are as follows:

	Group	
	2005 RM'000	2004 RM'000
Less than one year	138	138
Between one and five years	552	552
More than five years	4,943	5,021
	5,633	5,711

20. Related parties

Controlling related party relationships of its subsidiaries as disclosed in Note 3.

Significant transactions and balances with related parties other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Substantial shareholders				
JFE Shoji Trade Corporation (Formerly known as Kawasho Corporation)				
- Purchases of raw materials	340,207	198,910	255,508	182,417
- Purchase of property, plant and equipment	1,768	611	1,768	--
Mitsui & Co., Ltd.				
- Purchases of raw materials	188,217	61,454	133,008	55,922
Subsidiary				
- Disposal of plant and equipment	--	--	--	37,316
- Purchases of raw material	--	--	--	400
- Interest receivable	--	--	913	--

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





NOTES TO THE FINANCIAL STATEMENTS

21. Segmental information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, geographical segments by location of assets, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest bearing loans, borrowings and expenses and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical segments

The manufacturing and sale of tinplates is also operated in another principal geographical areas apart from Malaysia i.e. Vietnam.

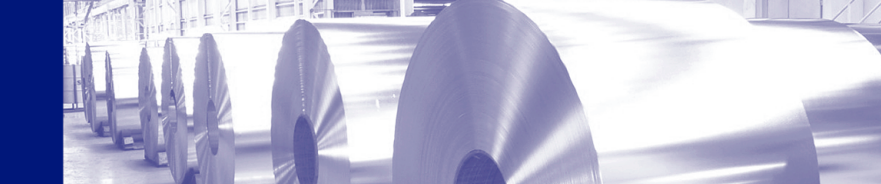
In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of assets. Segment assets are also based on the geographical location of the assets.

Business segments

No segmental reporting for business segments by product has been prepared as the Group is principally involved in the manufacturing and sales of tinplates. However, revenue by location of customers has not been disclosed as required under MASB 22, Segment Reporting. The information has no significant impact on the financial statements of the Group.

	Malaysia		Vietnam		Eliminations		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical segments by location of assets								
Revenue from external customers/total revenue	512,029	359,080	157,710	18,557	--	(400)	669,739	377,237
Segment result/operating profit	39,655	42,658	13,034	(1,712)	1,052	(14,917)	53,741	26,029
Interest expense							(3,327)	(3,421)
Interest income							776	616
Profit before tax							51,190	23,224
Tax expense							(9,913)	(5,928)
Net profit for the year							41,277	17,296
Segment assets	215,142	181,950	116,343	91,516	(41,376)	(42,035)	290,109	231,431
Unallocated assets							30,643	37,337
Total assets							320,752	268,768
Segment liabilities	28,868	18,096	21,041	35,465	(1,127)	(27,118)	48,782	26,443
Unallocated liabilities							114,549	115,816
Total liabilities							163,331	142,259
Capital expenditure	3,919	8,068	929	50,801	--	(37,292)	4,848	21,577
Depreciation	10,600	10,585	5,352	2,867	(1,573)	(786)	14,379	12,666
Non-cash expenses								
- Gain on disposal of property, plant and equipment	(52)	(15,788)	--	--	--	15,703	(52)	(85)





NOTES TO THE FINANCIAL STATEMENTS

22. Financial instruments

Financial risk management objectives and policies

Exposure to credit, currency and interest rate risk arises in the normal course of the Group's and the Company's business. The Group and the Company has established risk management framework (which covers both financial and operational risk) outlining the general risk management philosophy and the processes necessary to monitor and control risk in a timely and objective manner.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group and the Company do not require collateral in respect of financial assets.

At balance sheet date, the Group and Company have significant concentrations of credit risk arising from 11 (2004: 7) and 8 (2004: 7) major customers respectively. The amount due from these customers represent 72% (2004: 55%) and 71% (2004: 55%) of total trade receivables of the Group and Company respectively. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial assets.

Foreign currency risk

The Group and the Company incur foreign currency risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily US Dollar, Vietnamese Dong and Japanese Yen. The foreign currency risk arising from transactions denominated in US Dollar is mitigated by the pegging of Ringgit Malaysia to the US Dollar.

Interest rate risk

The Group's and the Company's exposure to changes in interest rates relate primarily to the cash and bank balances, deposits with licensed banks and borrowings.

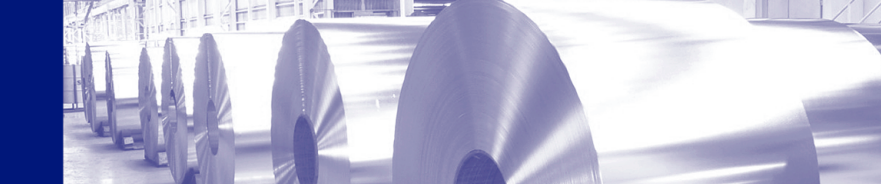
There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Group and the Company endeavour to keep the exposure at an acceptable level.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

Group 2005	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 ~ 5 years RM'000
Financial assets				
Cash and bank balances	1.74	10,683	10,683	--
Deposits with licensed banks	2.43	19,761	19,761	--
Financial liabilities				
Bankers' acceptances	3.00	71,130	71,130	--
Term loan - floating rate	5.88	13,359	13,359	--
Trust receipts	4.41	20,905	20,905	--
Revolving credit	4.51	895	895	--





NOTES TO THE FINANCIAL STATEMENTS

22. Financial instruments (continued)

Group 2004	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 ~ 5 years RM'000
Financial assets				
Cash and bank balances	3.65	7,859	7,859	--
Deposits with licensed banks	2.08	37,337	37,337	--
Financial liabilities				
Bank overdrafts	7.00	2	2	--
Bankers' acceptances	3.10	75,095	75,095	--
Term loan - floating rate	4.44	13,076	13,076	--
Trust receipts	4.27	15,707	15,707	--
Revolving credit	6.42	511	511	--
Company 2005				
Financial assets				
Cash and bank balances	0.20	7,419	7,419	--
Deposits with licensed banks	2.43	19,761	19,761	--
Due from subsidiaries	4.00	27,800	--	27,800
Financial liability				
Bankers' acceptances	3.00	71,130	71,130	--
2004				
Financial assets				
Cash and bank balances	0.20	2,822	2,822	--
Deposits with licensed banks	2.08	37,337	37,337	--
Financial liabilities				
Bank overdrafts	7.00	2	2	--
Bankers' acceptances	3.10	75,095	75,095	--

Fair values

Recognised financial instruments

The carrying amounts of current financial assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of term loan approximate fair value as its effective interest changes accordingly to movements in the market rate.

No disclosure of fair value is made for amounts due from subsidiaries, as it is not practicable to determine its fair value with sufficient reliability since the balance has no fixed terms of repayment.



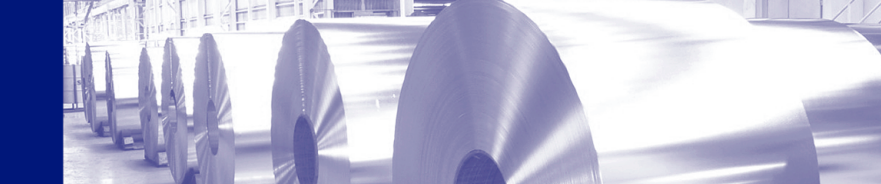


LIST OF GROUP LANDED PROPERTIES

Location / Address	Acquisition / Revaluation * Date	Description	Land area	Tenure	Net Book Value RM'000
PN 6713 Lot 51694 Mukim of Plentong Daerah Pasir Gudang Industrial Estate Johor Bahru	June 1992 *	Factory And Office (approx. 23 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	14,484
HS(D) 8092 Lot PTD 643 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	June 1992 *	Vacant Residential Land	12,169 sq.ft.	99-year lease expiring 13 December 2088	79
HS(D) 8094 Lot PTD 652 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	June 1992 *	Vacant Residential Land	14,596 sq.ft.	99-year lease expiring 13 December 2088	95
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. 23 years old)	31,309 sq.ft.	99-year lease expiring 24 June 2070	295
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Staff Apartment (approx. 14 years old)	18,497 sq.ft.	99-year lease expiring 2 November 2085	778
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Staff Apartment (approx. 9 years old)	38,750 sq.ft.	99-year lease expiring 24 April 2093	778
Lot 84,85,86 & 87 No.15, VSIP Street 6 Vietnam Singapore Industrial Park Thuan An Binh Duong Vietnam	October 2002	Factory And Office (approx. 2 years old)	387,492 sq.ft.	43-year lease expiring 11 February 2046	18,485

The Group does not have a revaluation policy on the landed property. Please refer to Note 1 (c) & 1 (i) to the statements on page 33 to 34.





SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 25 MAY 2005

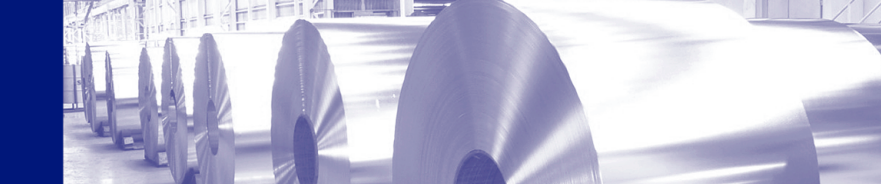
Authorised Share Capital	: RM200,000,000.00
Issued and Paid-Up Share Capital	: RM95,709,058.00
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One vote per share

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>Total Shareholdings</u>	<u>Percentage (%) of Issued Capital</u>
less than 100	29	551	0.00
100 to 1,000	9,169	3,339,276	3.49
1,001 to 10,000	2,407	7,335,387	7.67
10,001 to 100,000	210	5,589,300	5.84
100,001 to less than 5% of issued shares	30	13,037,500	13.62
5% and above of issued shares	4	66,407,044	69.38
TOTAL	11,849	95,709,058	100.00

Thirty Largest Shareholders As At 25 May 2005

<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>% of Issued Capital</u>
1. VERSALITE SDN BHD	32,617,544	34.08
2. JFE SHOJI TRADE CORPORATION	13,166,500	13.76
3. CARTABAN NOMINEES (ASING) SDN BHD < DAIWA SECURITIES SMBC SINGAPORE LIMITED FOR JFE STEEL CORPORATION >	11,150,000	11.65
4. RHB CAPITAL NOMINEES (ASING) SDN BHD < MITSUI & CO LTD-(J) >	9,473,000	9.90
5. RIN NAN YOONG	2,544,000	2.66
6. HSBC NOMINEES (ASING) SDN BHD < HSBC SG FOR LEE PINEAPPLE COMPANY PTE LTD >	1,709,500	1.79
7. PUI CHENG WUI	1,042,400	1.09
8. ONG WUANG HOE	957,900	1.00
9. M.I.T NOMINEES (TEMPATAN) SDN BHD < ONG WUANG HOE >	705,000	0.74





SHAREHOLDERS' INFORMATION

Thirty Largest Shareholders As At 25 May 2005 (continued)

<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>% of Issued Capital</u>
10. CARTABAN NOMINEES (ASING) SDN BHD <DAIWA SECURITIES SMBC SINGAPORE LIMITED FOR SILVERN INVESTMENT CO (PTE) LTD (TRUST A/C)>	685,500	0.72
11. HDM NOMINEES (ASING) SDN BHD <UOB KAY HIAN (HONG KONG) LIMITED FOR TOP LINK LTD>	642,000	0.67
12. KRC HOLDINGS SDN BHD	640,900	0.67
13. ONG SIEW HA	348,500	0.36
14. ONG SAW PENG	315,100	0.33
15. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <PHEIM ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND>	309,200	0.32
16. GAN AH KOW	300,200	0.31
17. LIM HUNG PUAN	300,000	0.31
18. WONG LOK JEE @ ONG LOK JEE	260,000	0.27
19. CHEE KHENG CAN FACTORY SDN BERHAD	225,000	0.24
20. LEMBAGA TABUNG ANGKATAN TENTERA	214,900	0.22
21. NAR SWEE KIM	212,300	0.22
22. PANG HENG HOE	196,200	0.20
23. SIM AH KAW @ TAN CHEE PENG	150,000	0.16
24. ONG FANG LOONG	137,200	0.14
25. GLORIFIED POWER SDN BHD	136,000	0.14
26. LIM E @ LIM HOON NAM	136,000	0.14
27. ZURID CORPORATION SDN BHD	136,000	0.14
28. HSBC NOMINEES (ASING) SDN BHD <HSBC-FS FOR PHEIM-AIZAWA ASIA FUND>	135,400	0.14
29. HSBC NOMINEES (ASING) SDN BHD <HSBC-FS FOR CARL FRIEDRICH MARINO GUMPERT>	129,700	0.14
30. HSBC NOMINEES (TEMPATAN) SDN BHD < HSBC (M) TRUSTEE BERHAD FOR DANA MAKMUR PHEIM (4041) >	123,100	0.13





SHAREHOLDERS' INFORMATION

Substantial Shareholders as at 25 May 2005

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Versalite Sdn Bhd	32,617,544	34.0799	--	--
Hiroshi Kume	--	--	32,617,544 ⁽¹⁾	34.0799
Tan Sri Ab. Rahman bin Omar	--	--	32,617,544 ⁽²⁾	34.0799
Muzafar Mohamed	--	--	32,617,544 ⁽³⁾	34.0799
JFE Shoji Trade Corportion (formerly known as Kawasho Corporation)	13,166,500	13.7568	--	--
JFE Steel Corporation	11,150,000	11.6499		
Mitsui & Co., Ltd	9,473,000	9.8977		

⁽¹⁾ Deemed interested by virtue of his 49.99% shareholdings in Versalite Sdn Bhd

⁽²⁾ Deemed interested by virtue of his 32.01% interest in Versalite Sdn Bhd

⁽³⁾ Deemed interested by virtue of his 18% interest in Versalite Sdn Bhd

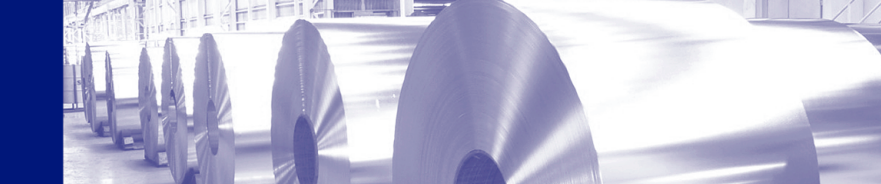
Directors' Interests as at 25 May 2005

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Tan Sri Ab. Rahman bin Omar	--	--	32,617,544 ⁽²⁾	34.0799
Hiroshi Kume	--	--	32,617,544 ⁽¹⁾	34.0799
Rin Nan Yoong	2,544,000	2.6581	--	--
Ab. Patah bin Mohd	100	0.0000	--	--
Hiroshi Sumino	120,000	0.1254	--	--
Che Alias bin Ismail (resigned on 6 June 2005)	3,600	0.0038	--	--

⁽¹⁾ Deemed interested by virtue of his 32.01% shareholdings in Versalite Sdn Bhd

⁽²⁾ Deemed interested by virtue of his 49.99% shareholdings in Versalite Sdn Bhd





WARRANTHOLDERS' INFORMATION

ANALYSIS OF WARRANTHOLDINGS AS AT 25 MAY 2005

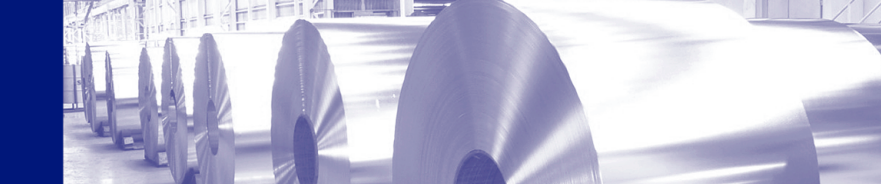
No. of Warrants in issue : 4,239,002
 Exercise price of the Warrants : RM1.00
 Expiry date of the Warrants : 16 November 2005

<u>Size of Holdings</u>	<u>No. of Warrantholders</u>	<u>Total Warrantholdings</u>	<u>Percentage (%) of Total Warrant Issued</u>
less than 100	202	10,352	0.24
100 to 1,000	2,639	1,122,417	26.48
1,001 to 10,000	367	872,134	20.57
10,001 to 100,000	21	566,999	13.38
100,001 to less than 5% of issued shares	3	365,800	8.63
5% and above of issued shares	1	1,301,300	30.70
TOTAL	3,233	4,239,002	100.00

Thirty Largest Warrantholders As At 25 May 2005

<u>Name of Warrantholders</u>	<u>No. of Warrants</u>	<u>% of Total Warrants Issued</u>
1. PUI CHENG WUI	1,301,300	30.70
2. PANG HENG HOE	148,000	3.49
3. UNITED OVERSEAS NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR LIM SENG HUAT (MKL)>	115,000	2.71
4. CITICORP NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR SUSY DING (471873)>	102,800	2.43
5. PANG SEE HING	94,500	2.23
6. LIM SIEW ENG	69,400	1.64
7. HSBC NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI>	66,900	1.58
8. SIM AH KAW @ TAN CHEE PENG	52,000	1.23
9. PUI BOON KENG	27,000	0.64
10. WAN CHEE CHEAW	22,800	0.54
11. LIM LEH HOON	22,000	0.52



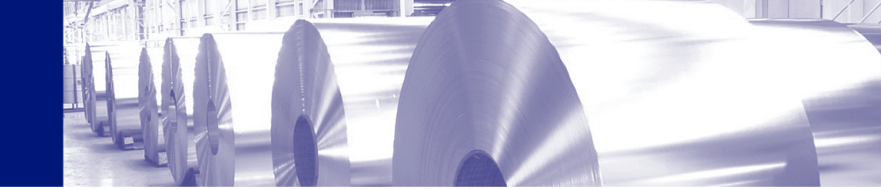


WARRANTHOLDERS' INFORMATION

Thirty Largest Warrantholders As At 25 May 2005 (continued)

<u>Name of Warrantholders</u>	<u>No. of Warrants</u>	<u>% of Total Warrants Issued</u>
12. PRB NOMINEES (TEMPATAN) SDN BHD <RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY>	20,000	0.47
13. SERANG RIA SDN BHD	20,000	0.47
14. MAYBAN NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR SEE KOK ENG (101AB1029)>	18,000	0.42
15. SOO KAN EAIK	17,500	0.41
16. LAI HEE DIN	16,566	0.39
17. AHN SDN BHD	16,000	0.38
18. TA NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR FOONG WAI CHENG>	15,500	0.37
19. LIM KIN TONG	15,000	0.35
20. HDM NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR FOO PAK SOOI (M01)>	15,000	0.35
21. BEH MOOI HONG	13,300	0.31
22. CHIAM ENG KUANG @ CHIAM YOONG WANG	12,800	0.30
23. WONG CHE KING	12,500	0.29
24. TAY PAU HUAT	12,000	0.28
25. CHIA THUAN LEANG	11,000	0.26
26. MAYBAN NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR CHUNG MAN CHONG (128AK0573)>	10,033	0.24
27. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD HONG TONG MING (T-471245)	10,000	0.24
28. CIMSEC NOMINEES (TEMPATAN) SDN BHD <ING ASIA PRIVATE BANK LIMITED FOR ENG SIM LEONG @ NG LEONG SING>	10,000	0.24
29. LIN HOONG TON @ LENG HONG SUAN	10,000	0.24
30. WAN FAUZIAH BINTI WAN JA'AFAR	10,000	0.24





NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Seventh 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 Friday, 15 July 2005 at 9.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

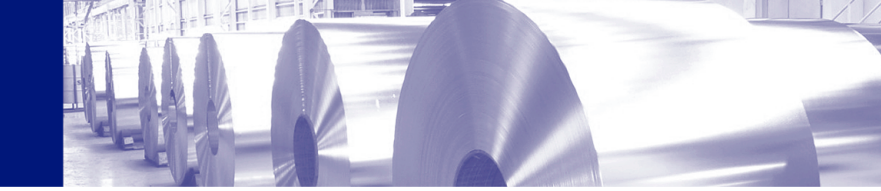
1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2005 together with the Directors' and Auditors' Reports thereon. **Resolution 1**
2. To re-elect the following Directors who retire pursuant to Article 86 of the Articles of Association of the Company:-
 - (i) Hiroshi Sumino **Resolution 2**
 - (ii) Yusuf bin Jamil **Resolution 3**
 - (iii) Todomu Kobayashi **Resolution 4**
 - (iv) Ab. Patah bin Mohd **Resolution 5**
3. To re-elect the following Directors who retire pursuant to Article 93 of the Articles of Association of the Company:-
 - (i) Toshihiro Yamamoto **Resolution 6**
 - (ii) Shuichi Yoshida **Resolution 7**
4. To approve the payment of Directors' Fee of RM559,999.00 for the financial year ended 31 March 2005. **Resolution 8**
5. To approve the payment of a Final Dividend of 8 sen per ordinary shares of RM1.00 each less 28% income tax in respect of the financial year ended 31 March 2005. **Resolution 9**
6. To re-appoint the Auditors, Messrs KPMG and to authorise the Directors to fix their remuneration. **Resolution 10**

As Special Business

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

7. **Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Perusahaan Sadur Timah Malaysia (Perstima) Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**





NOTICE OF ANNUAL GENERAL MEETING

“THAT, pursuant to Paragraph 10.09 Part E of Bursa Securities Listing Requirements, the Company and its subsidiaries (“Perstima Group”) be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out in Paragraph 3.1.1 to Paragraph 3.1.3 of the Circular to Shareholders dated 23 June 2005 with the related parties mentioned therein which are necessary for the Perstima Group’s day-to-day operations, subject further to the following:-

- (i) the transactions are in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions of the Proposed Shareholders’ Mandate conducted during the financial year will be disclosed in the Annual Report for the said financial year,

AND THAT such approval shall continue to be in force until:-

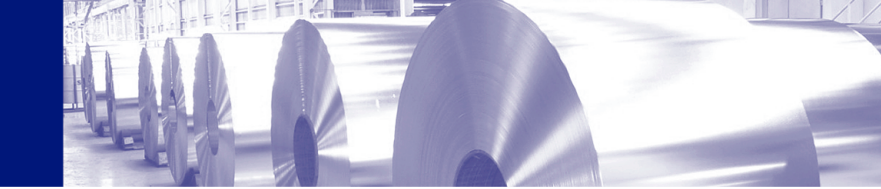
- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at the Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“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 the Company in a general meeting,

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders’ Mandate.”

Resolution 11





NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twenty Seventh Annual General Meeting, a final dividend of 8 sen per ordinary shares of RM1.00 each less 28% income tax in respect of the financial year ended 31 March 2005 will be paid to shareholders on 16 September 2005. The entitlement date for the said dividend shall be 18 August 2005.

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 16 August 2005 (in respect of shares which are exempted from mandatory deposit);
- b) Shares transferred to the depositor's securities account before 4.00 p.m. on 18 August 2005 in respect of transfers;
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

SAW BEE LEAN (MAICSA 0793472)

LIEW IRENE (MAICSA 7022609)

Company Secretaries

Kuala Lumpur

23 June 2005

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 2009, Level 20, Wisma MPL, 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

Resolution 11

Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Perusahaan Sadur Timah Malaysia (Perstima) Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature

For further information on Resolution 11, please refer to the Circular to Shareholders dated 23 June 2005 accompanying the Company's Annual Report for the year ended 31 March 2005.





ACCOMPANYING STATEMENT

Statement accompanying Notice of Twenty Seventh Annual General Meeting pursuant to Paragraph 8.28(2) of Bursa Securities Listing Requirements

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

Pursuant to Article 86 of the Articles of Association of the Company

- (i) Hiroshi Sumino
- (ii) Yusuf bin Jamil
- (iii) Todomu Kobayashi
- (iv) Ab. Patah bin Mohd

Pursuant to Article 93 of the Articles of Association of the Company

- (i) Toshihiro Yamamoto
- (ii) Shuichi Yoshida

- (2) Number of Board Meetings held for the financial year ended 31 March 2005 : Four

- (3) Attendance of Directors at Board Meetings

Directors	Number of Meetings Attended
Tan Sri Ab. Rahman bin Omar	4/4
Hiroshi Kume	4/4
Hiroshi Sumino	4/4
Ab. Patah bin Mohd	4/4
Todomu Kobayashi	4/4
Yusuf bin Jamil	4/4
Harun bin Ismail	4/4
Ghazali @ Razali bin Ismail	4/4
Ng Tuan Hoo	4/4
Rin Nan Yoong	4/4
Toshihiro Yamamoto	1/4*
Shuichi Yoshida	0/4**
Che Alias bin Ismail	4/4 [#]

* Attended all the Board Meetings held since his appointment on 4 February 2005

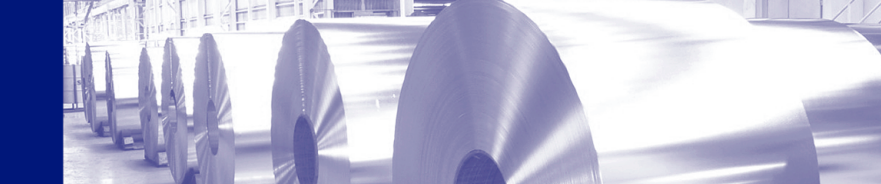
** Appointed on 18 May 2005

[#] Resigned on 6 June 2005

- (4) The Twenty Seventh Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 15 July 2005 at 9.00 a.m..

- (5) Further details on the Directors standing for re-election at the Twenty Seventh Annual General Meeting:- Please refer to Directors' Profile on pages 4 to 7 of the Annual Report of the Company.





PROXY FORM

No. of shares held:

I/We _____
of _____ being a
Member 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 Twenty Seventh 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 Friday, 15 July 2005 at 9.00 a.m. and at any adjournment thereof in respect of my/our holding of shares in the manner
indicated below :-

	RESOLUTION	FOR	AGAINST
Resolution 1	Adoption of the Audited Financial Statements for the financial year ended 31 March 2005 and Directors' and Auditors' Reports		
Resolution 2	Re-election of Mr Hiroshi Sumino as Director - Article 86 of the Articles of Association of the Company		
Resolution 3	Re-election of En Yusuf bin Jamil as Director - Article 86 of the Articles of Association of the Company		
Resolution 4	Re-election of Mr Todomu Kobayashi as Director - Article 86 of the Articles of Association of the Company		
Resolution 5	Re-election of En Ab. Patah bin Mohd as Director - Article 86 of the Articles of Association of the Company		
Resolution 6	Re-election of Mr Toshihiro Yamamoto as Director - Article 93 of the Articles of Association of the Company		
Resolution 7	Re-election of Mr Shuichi Yoshida as Director - Article 93 of the Articles of Association of the Company		
Resolution 8	Approval of Directors' Fee		
Resolution 9	Approval of Final Dividend in respect of the financial year ended 31 March 2005		
Resolution 10	Re-appointment of Messrs KPMG as Auditors of the Company and authorise the Directors to fix the Auditors' remuneration		
Resolution 11	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		

[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 2005

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 2009, Level 20, Wisma MPL, 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 2009, Level 20, Wisma MPL,
Jalan Raja Chulan,
50200 Kuala Lumpur.

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