

**LAPORAN
TAHUNAN
2006
ANNUAL
REPORT**



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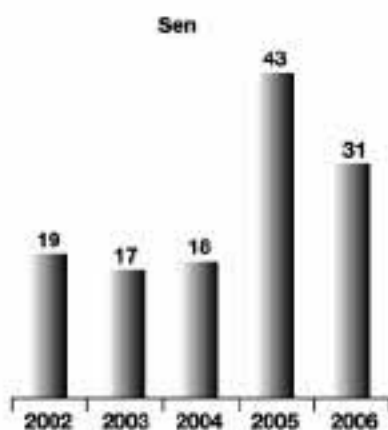
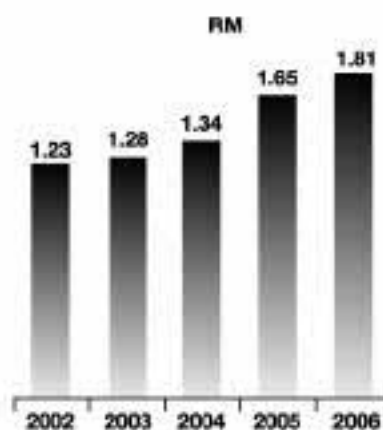
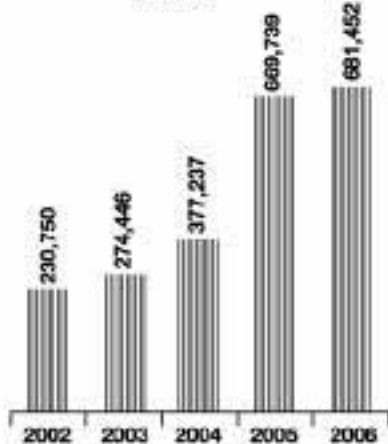
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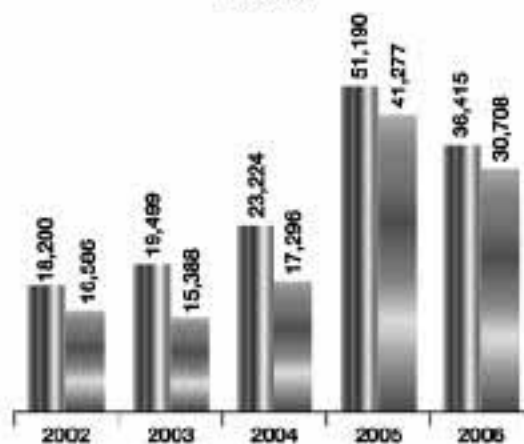


	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000
Revenue	681,452	669,739	377,237	274,446	230,750
Profit before taxation	36,415	51,190	23,224	19,499	18,200
Profit after taxation	30,708	41,277	17,296	15,388	16,586
Dividend per share (sen)	15	15	12	10	10
Share capital	99,305	95,547	94,169	87,958	87,958
Shareholders' fund	179,598	157,421	126,509	112,861	108,319
Total Assets	285,412	320,752	268,768	197,101	179,214
Total Borrowing	70,022	106,289	104,391	51,055	43,511
Earning per share (sen)	31	43	18	17	19
Net assets backing per share (RM)	1.81	1.66	1.34	1.28	1.23

Earning per share

**Net assets per share**Revenue
RM'000

Profit before tax & after tax
RM'000



Executive Directors

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

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)

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)
Level 26, Menara Multi-Purpose
Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: (60-3) 27212222
Fax: (60-3) 27212530

Principal Place Of Business

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

Auditors

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

Principal Bankers

Malayan Banking Berhad
Burniputra Commerce Bank Berhad
Bank Islam Malaysia Berhad
AM Bank Berhad
The Hong Kong and Shanghai
Banking Corporation Limited

Stock Exchange Listing

Bursa Securities (Main Board)

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)



The profiles of the Directors of Perstima are as follows:

Tan Sri Ab. Rahman bin Omar, a Malaysian, aged 60 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 FERODUA 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, Chemical Company of Malaysia Berhad, Edaran Otomobil Nasional Berhad and DRE-Hicom Berhad.

Hiroshi Kume, a Japanese with Malaysian permanent resident status, aged 61 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 61 years, was first appointed as the Deputy Managing Director of Perstima from February 1988 to December 1992. He was reappointed as Deputy Managing Director on 31 October 1998. 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.

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 50 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 Felde 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 42 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. 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 60 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 three out of the 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 Kawarin Enterprise Pte. Ltd., in Singapore as Deputy Managing Director. He was later seconded to Kawasho Steel Processing Centre Sdn. Bhd. in 1989 as Managing Director. He was appointed as General Manager of Steel Planning Department of Kawasho Corporation in Japan in 1995. In 2000, he was assigned to Kawasho Corporation Kuala Lumpur branch as General Manager before being appointed as General Manager of Asean Region of Kawasho Corporation in July 2001. He has no conflict of interest with the Company, no family

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

Harun bin Ismail, a Malaysian, aged 63 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date. He is the 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 65 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date. He is the 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 Uniphonix 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 54 years, was appointed to the Board of Directors of Perstima on 11 June 2001 as Independent Non-Executive Director until to date. He is the Chairman of the Remuneration Committee since October 2001 and is a 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 Fellow of the Malaysian Institute of Taxation.

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 a wide spectrum of invaluable experience in auditing and special assignments with the Chartered and Certified Public Accountants firms in both Malaysia and the United Kingdom. He has also gained invaluable experience in manufacturing activities and cooperatives. Currently he operates his own firm and associate Company providing various 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.

Rin Nan Yoong, a Singaporean, aged 40 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 was with the National Computer Board, Singapore in 1990 and the Bank of East Asia in 1994. In 1995 through 2005, he was with 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 44,000 ordinary shares of RM1.00 each in the Company.

Toshihiro Yamamoto, a Japanese, aged 51 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 all four Board meetings held during the financial year.

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 48 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 has attended three out of the four Board meetings held during the financial year.

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.



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 financial year ended 31 March 2006.

Company Performance and Development

During the financial year under review, our Group has recorded a turnover of RM381 million, an increase of 1.7% as compared to the previous year. The increase in turnover was mainly attributable to the wholly owned subsidiary Perstima (Vietnam) Co., Ltd ("PVCL") which has recorded a turnover of RM234.2 million for the year under review as compared to the previous year of RM157.7 million. At the Company level, there was a reduction of turnover due to decrease in supply of tinplates to both local and overseas can makers as compared to the previous year in view of their high stock situation.

The Group recorded a profit before taxation of RM36.4 million compared to RM51.2 million in the previous year.

Dividend

An interim dividend of 7 Sen less 28% income tax was paid on 21st December 2005, 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 2006.

Industry and Prospects

The Board expects the Group's operational environment to remain challenging and competitive. The expected price increase in steel products resulted from global demand outstripping supply of the iron ore, the main raw materials for making steel, will affect our production cost. Furthermore, volatile tin pricing will be an additional cost to the Group. These costs increase has to be factored as part of final product's cost; hence, we will foresee an increase in overall tinplate pricing. Price increase trend will be applicable for other packaging materials such as plastic and aluminium as the prices of petrol and power have increased drastically and expected to rise further.

Due to price increase trend for overall packaging materials, this is an opportunity for us to grow further in rigid packaging through internal cost optimization as well as seeking greater cooperation with both suppliers of raw materials and customers. The Group is in the process of upgrading the capacity in Pasir Gudang's plant by additional 20% and is expected to complete by end of 2007. With the increase in capacity, we are in the position to capture new market and ensure our price competitiveness. 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

16 May 2006

