DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006

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 2006.

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	30,708	16,771

Dividends

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

i) a final dividend of 8 sen less tax on 97,974,460 ordinary share as at 18 August 2005 totalling RM5,643,329 in respect of the year ended 31 March 2005 on 16 September 2005; and

ii) an interim dividend of 7 sen less tax on 99,304,720 ordinary share as at 25 November 2005 totalling RM5,004,958 in respect of the year ended 31 March 2006 on 21 December 2005.

The Directors proposed a final dividend of 8 sen less tax per ordinary share totalling RM5,719,952 in respect of the year ended 31 March 2006 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 2007.

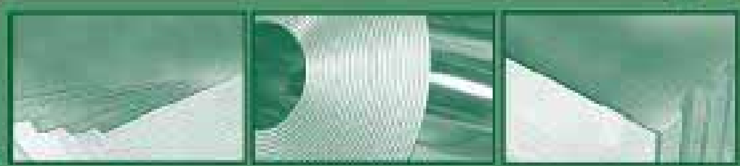
Reserves and provisions

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
Mr. Rin Nan Yoong
Mr. Toshihiro Yamamoto
Mr. Shuichi Yoshida
En. Che Alias bin Ismail (resigned on 6 June 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:

		Number of ordinary shares of RM1.00 each			
Name of Directors	**Interest**	**At 1.4.2005**	**Bought**	**Sold**	**At 31.3.2006**
Company					
Mr. Hiroshi Kume	Deemed	32,617,544	--	--	32,617,544
Tan Sri Ab. Rahman bin Omar	Deemed	32,617,544	--	--	32,617,544
En. Ab. Patah bin Mohd	Direct	100	--	--	100
Mr. Hiroshi Sumino	Direct	120,000	--	--	120,000
Mr. Rin Nan Yoong	Direct	2,544,000	--	(2,500,000)	44,000

By virtue of their substantial 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.

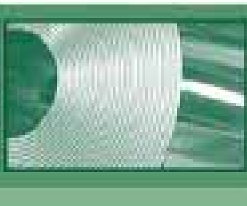
Issue of shares

During the financial year, the Company issued 3,757,361 ordinary shares of RM1.00 each at par for cash arising from the conversion of warrants at the exercise price of RM1.00 each.

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. The remaining 643,340 warrants lapsed on 16 November 2005.



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 2006 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,
Date: 18 May 2006

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 24 to 45, 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 2006 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,
Date: 18 May 2006

STATUTORY DECLARATION

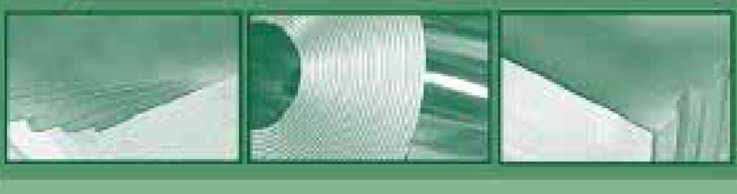
pursuant to
Section 169(16) of the Companies Act, 1965

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 24 to 45 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Johor Bahru
in the State of Johor
on 18 May 2006.

Tan Siew Chu

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



AUDITORS' REPORT

to the members of
Perusahaan Sadur Timah Malaysia (Perstima) Berhad

We have audited the financial statements set out on pages 24 to 45. 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 2006 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 subsidiary 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.

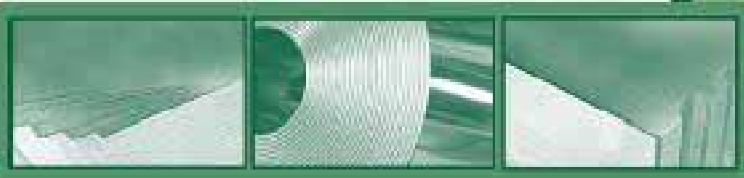
We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information 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,
Date: 18 May 2006

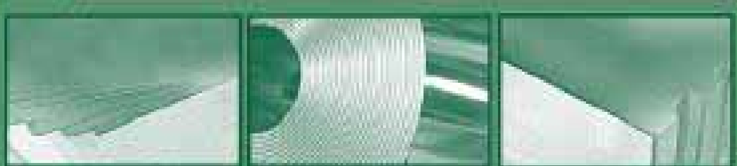


BALANCE SHEETS
AT 31 MARCH 2006

	Note	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Property, plant and equipment	2	92,417	86,873	41,889	43,122
Investments in subsidiaries	3	--	--	30,400	30,400
Due from a subsidiary	4	--	--	26,760	27,800
Deferred tax assets	5	191	199	--	--
		92,608	87,072	99,049	101,322
Current assets					
Inventories	6	100,600	116,613	57,612	68,497
Trade and other receivables	7	56,058	86,623	38,529	75,547
Tax recoverable		627	--	627	--
Cash and cash equivalents	8	35,519	30,444	32,574	27,180
		192,804	233,680	129,342	171,224
Current liabilities					
Trade and other payables	9	32,125	48,782	19,721	28,868
Borrowings	10	57,058	94,838	30,834	71,130
Taxation		--	5,500	--	5,500
		89,183	149,120	50,555	105,498
Net current assets		103,621	84,560	78,787	65,726
		196,229	171,632	177,836	167,048
Financed by:-					
Capital and reserves					
Share capital	11	99,305	95,547	99,305	95,547
Reserves	12	80,293	61,874	74,864	68,741
		179,598	157,421	174,169	164,288
Long term and deferred liabilities					
Deferred tax liabilities	5	3,667	2,760	3,667	2,760
Borrowings	10	12,964	11,451	--	--
		16,631	14,211	3,667	2,760
		196,229	171,632	177,836	167,048

The financial statements were approved and authorised for issue by the Board of Directors on 18 May 2006.

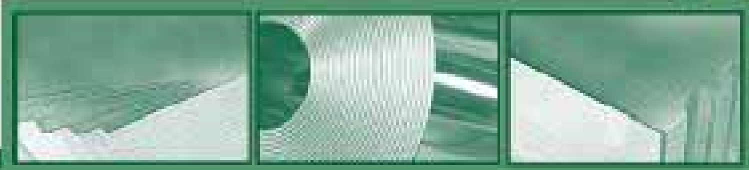
The accompanying notes form an integral part of the financial statements.



INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

	Note	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Revenue					
Sale of goods		681,452	669,739	447,290	512,029
Cost of sales		(633,139)	(602,620)	(419,843)	(461,806)
Gross profit		48,313	67,119	27,447	50,223
Distribution costs		(4,990)	(6,526)	(3,750)	(5,318)
Administration expenses		(8,029)	(9,368)	(5,582)	(7,266)
Other operating expenses		(1,973)	(1,117)	(981)	(450)
Other operating income		6,577	3,633	5,199	2,466
Operating profit	13	39,898	53,741	22,333	39,655
Interest expense		(4,471)	(3,327)	(1,650)	(1,763)
Interest income		988	776	1,795	1,493
Profit before tax		36,415	51,190	22,478	39,385
Tax expense	14	(5,707)	(9,913)	(5,707)	(10,112)
Net profit for the year		30,708	41,277	16,771	29,273
Basic earnings per ordinary share (sen)	15	31.4	43.6		
Diluted earnings per ordinary share (sen)	15	--	42.4		
Dividends per ordinary share (sen) - net	16	10.8	10.8	10.8	10.8

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



	Note	Share capital RM'000	*Non-distributable* Revaluation reserves RM'000	*Non-distributable* Translation reserve RM'000	*Distributable* Retained profits RM'000	Total RM'000
Group						
At 1 April 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
Issue of shares						
- Conversion of warrants	11	3,758	--	--	--	3,758
Net losses not recognised in the income statements						
Exchange differences on translation of the financial statements of a foreign subsidiary		--	--	(1,641)	--	(1,641)
Net profit for the year		--	--	--	30,708	30,708
Dividends						
- 2005 Final	16	--	--	--	(5,643)	(5,643)
- 2006 Interim	16	--	--	--	(5,005)	(5,005)
		--	--	--	(10,648)	(10,648)
At 31 March 2006		99,305	196	(2,525)	82,622	179,598

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006 (CONTINUED)

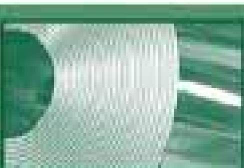
	Note	Share capital RM'000	*Non-distributable* Revaluation reserves RM'000	*Distributable* Retained profits RM'000	Total RM'000
Company					
At 1 April 2004		94,169	196	50,713	145,078
Issue of shares					
- Conversion of warrants	11	1,378	--	--	1,378
Net profit for the year		--	--	29,273	29,273
Dividends					
- 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
Issue of shares					
- Conversion of warrants	11	3,758	--	--	3,758
Net profit for the year		--	--	16,771	16,771
Dividends					
- 2005 Final	16	--	--	(5,643)	(5,643)
- 2006 Interim	16	--	--	(5,005)	(5,005)
		--	--	(10,648)	(10,648)
At 31 March 2006		99,305	196	74,668	174,169

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

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash flows from operating activities				
Profit before tax	36,415	51,190	22,478	39,385
Adjustments for:-				
Unrealised loss on foreign exchange	1,236	280	981	–
Depreciation	13,376	14,379	8,686	10,600
Interest expense	4,471	3,327	1,650	1,763
Interest income	(988)	(776)	(1,795)	(1,493)
Gain on disposal of property, plant and equipment	(47)	(52)	(10)	(52)
Operating profit before working capital changes	54,463	68,348	31,990	50,203
Changes in working capital:				
Inventories	16,013	(44,583)	10,885	(19,217)
Trade and other receivables	29,329	(32,249)	37,076	(22,484)
Trade and other payables	(16,657)	22,339	(9,147)	10,866
Cash generated from operations	83,148	13,855	70,804	19,368
Income taxes paid	(10,919)	(13,277)	(10,926)	(13,277)
Net cash generated from operating activities	72,229	578	59,878	6,091
Cash flows from investing activities				
Purchase of property, plant and equipment	(21,264)	(4,848)	(7,453)	(3,919)
Proceeds from disposal of property, plant and equipment	90	62	10	62
Interest received	988	776	1,795	580
Net cash used in investing activities	(20,186)	(4,010)	(5,648)	(3,277)

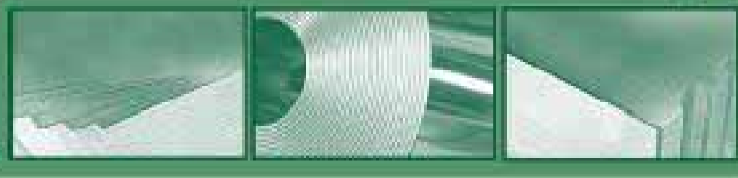
The accompanying notes form an integral part of the financial statements.


CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006 (CONTINUED)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash flows from financing activities				
Proceeds from issue of shares	3,758	1,378	3,758	1,378
Net short term borrowings	(38,052)	1,617	(40,479)	(3,965)
Proceeds from term loan	1,602	283	--	--
Dividends paid to shareholders	(10,648)	(11,441)	(10,648)	(11,441)
Interest paid	(4,471)	(3,327)	(1,650)	(1,763)
Net cash used in financing activities	(47,811)	(11,490)	(49,019)	(15,791)
Exchange differences on translation of the financial statements of foreign operations	780	172	--	--
Net increase/(decrease) in cash and cash equivalents	5,012	(14,750)	5,211	(12,977)
Cash and cash equivalents at beginning of year	30,444	45,194	27,180	40,157
Foreign exchange difference on opening balances	(120)	--	--	--
Cash and cash equivalents at end of year	35,336	30,444	32,391	27,180
Cash and cash equivalents comprise:				
Cash and bank balances	2,131	10,683	1,777	7,419
Deposits with licensed banks	33,388	19,761	30,797	19,761
Bank overdraft	(183)	--	(183)	--
	35,336	30,444	32,391	27,180

The accompanying notes form an integral part of 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 of the Company 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.

(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) 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.

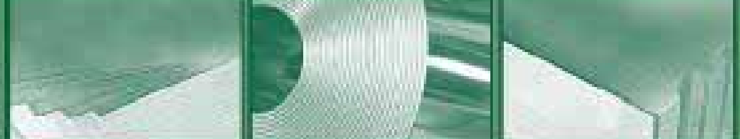
(j) Income tax

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.



(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:

	2006	2005
	RM	**RM**
1 US Dollar	3.685	3.800
100 Vietnamese Dong	0.023	0.024

(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.

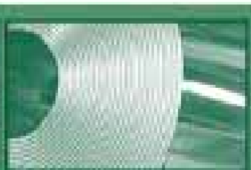
(o) Employee benefits

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.


2. Property, plant and equipment

	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
Group					
Cost/Valuation					
Opening balance	53,493	207,676	12,340	27	273,536
Reclassification	(685)	685	--	--	--
Additions	274	2,350	1,195	17,445	21,264
Transfers	3,001	14,236	5	(17,242)	--
Disposal	--	--	(161)	--	(161)
Exchange differences	(781)	(1,958)	(23)	(1)	(2,763)
Closing balance	55,302	222,989	13,356	229	291,876
Representing items at:					
Cost	27,647	222,989	13,356	229	264,221
Directors' valuation	27,655	--	--	--	27,655
	55,302	222,989	13,356	229	291,876
Depreciation and impairment losses					
Accumulated depreciation	17,451	158,187	9,977	--	185,615
Accumulated impairment losses	1,048	--	--	--	1,048
Opening balance	18,499	158,187	9,977	--	186,663
Reclassification	(103)	103	--	--	--
Depreciation charge for the year	2,039	10,262	1,075	--	13,376
Disposal	--	--	(118)	--	(118)
Exchange differences	(61)	(387)	(14)	--	(462)
Accumulated depreciation	19,326	168,165	10,920	--	198,411
Accumulated impairment losses	1,048	--	--	--	1,048
Closing balance	20,374	168,165	10,920	--	199,459
Net book value					
At 31 March 2006	34,928	54,824	2,436	229	92,417
At 31 March 2005	34,994	49,489	2,363	27	86,873
Depreciation charge for the year ended 31 March 2005	2,064	11,272	1,043	--	14,379



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	33,726	136,175	11,682	27	181,610
Additions	274	1,145	1,122	4,912	7,453
Transfers	--	4,751	5	(4,756)	--
Disposal	--	--	(43)	--	(43)
Closing balance	34,000	142,071	12,766	183	189,020
Representing items at:					
Cost	6,345	142,071	12,766	183	161,365
Directors' valuation	27,655	--	--	--	27,655
	34,000	142,071	12,766	183	189,020
Depreciation and impairment losses					
Accumulated depreciation	16,169	111,579	9,692	--	137,440
Accumulated impairment losses	1,048	--	--	--	1,048
Opening balance	17,217	111,579	9,692	--	138,488
Depreciation charge for the year	1,361	6,447	878	--	8,686
Disposal	--	--	(43)	--	(43)
Accumulated depreciation	17,530	118,026	10,527	--	146,083
Accumulated impairment losses	1,048	--	--	--	1,048
Closing balance	18,578	118,026	10,527	--	147,131
Net book value					
At 31 March 2006	15,422	24,045	2,239	183	41,889
At 31 March 2005	16,509	24,596	1,990	27	43,122
Depreciation charge for the year ended 31 March 2005	1,346	8,409	845	--	10,600

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Net book value of land and buildings				
Long term leasehold land	369	374	369	374
Short term leasehold land	13,753	14,373	7,242	7,441
Buildings	20,806	20,247	7,811	8,694
	34,928	34,994	15,422	16,509



2. Property, plant and equipment (continued)

Revaluation

The long term leasehold land and factory buildings of the Company 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:

	Company	
	2006	**2005**
	RM'000	**RM'000**
Cost	22,216	22,216
Less: Accumulated depreciation	(15,905)	(15,067)
Net book value	6,311	7,149

Security

Certain property, plant and equipment of the Group and of the Company with a net book value of RM85,824,000 (2005: RM79,770,000) and RM41,899,000 (2005: RM43,122,000) 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 RM152,822,000 (2005: RM53,715,000).

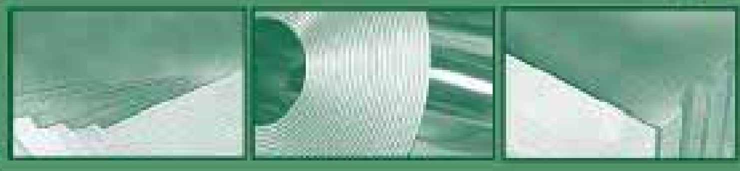
3. Investments in subsidiaries

	Company	
	2006	**2005**
	RM'000	**RM'000**
Unquoted shares, at cost	30,400	30,400

Details of the subsidiaries are as follows:

Name of subsidiaries	***Principal activities***	***Country of incorporation***	***Effective ownership interest***	
			2006 **%**	***2005*** **%**
Perstima Tin Plate Sdn. Bhd.	Dormant	Malaysia	100	100
Perstima (Vietnam) Co., Ltd.*	Manufacturing and sale of tinplates	Vietnam	100	100

* Audited by member of firms of KPMG International.



4. Due from a subsidiary

Company

The amount due from a subsidiary is non-trade in nature, unsecured and is repayable by 1 September 2009. The amount due is subject to an interest rate at 4% (2005: 4%) per annum.

5. Deferred tax

The amounts determined after appropriate offsetting are as follows:

	Group		Company	
	2006 RM'000	**2005 RM'000**	**2006 RM'000**	**2005 RM'000**
Deferred tax liabilities	3,667	2,760	3,667	2,760
Deferred tax assets	(191)	(199)	--	--
	3,476	2,561	3,667	2,760

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	
	2006 RM'000	**2005 RM'000**	**2006 RM'000**	**2005 RM'000**
Property, plant and equipment				
- capital allowances	4,232	4,770	4,232	4,770
- revaluation	1,850	1,900	1,850	1,900
Allowances	(2,415)	(3,910)	(2,415)	(3,910)
Unutilised tax losses	(191)	(199)	--	--
	3,476	2,561	3,667	2,760

6. Inventories

	Group		Company	
	2006 RM'000	**2005 RM'000**	**2006 RM'000**	**2005 RM'000**
At net realisable value				
Finished goods	2,841	54	2,841	54
Raw materials	2,972	219	2,972	219
	5,813	273	5,813	273
At cost				
Finished goods	40,982	27,415	19,803	9,849
Work-in-progress	1,919	927	1,883	927
Raw materials	44,305	81,497	26,587	55,551
Consumables	7,581	6,501	3,526	1,897
	94,787	116,340	51,799	68,224
	100,600	116,613	57,612	68,497

7. Trade and other receivables

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade receivables	49,821	83,386	36,545	73,150
Other receivables, deposits and prepayments	6,237	3,237	1,984	2,397
	56,058	86,623	38,529	75,547

8. Cash and cash equivalents

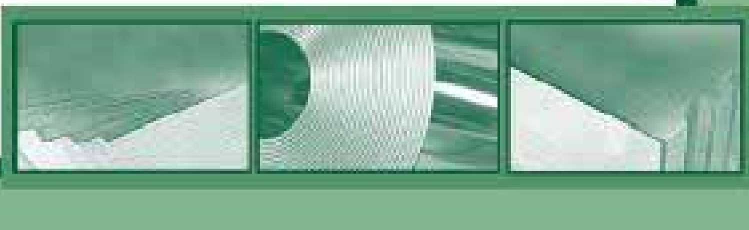
	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash and bank balances	2,131	10,683	1,777	7,419
Deposits with licensed banks	33,388	19,761	30,797	19,761
	35,519	30,444	32,574	27,180

9. Trade and other payables

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade payables	10,978	24,517	2,824	10,756
Other payables and accrued expenses	21,147	24,265	16,897	18,112
	32,125	48,782	19,721	28,868

Included in other payables and accrued expenses are:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Other payables	3,755	5,268	795	944
Accrued expenses for sales rebate	5,658	6,403	5,658	6,403
Other accrued expenses	11,734	12,594	10,444	10,765
	21,147	24,265	16,897	18,112



10. Borrowings

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current				
Secured				
Bankers' acceptances	28,413	62,194	28,413	62,194
Bank overdraft	183	--	183	--
Term loan	1,997	1,906	--	--
Trust receipts	23,970	20,905	--	--
Revolving credit	257	895	--	--
Unsecured				
Bankers' acceptances	2,238	8,936	2,238	8,936
	57,058	94,636	30,834	71,130
Non-current				
Secured				
Term loan	12,964	11,451	--	--
	70,022	106,280	30,834	71,130

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

The term loan will be repayable in various quarterly instalments commencing 2005. Term loan is subject to interest rates varying between 3.20% and 11.80% (2005: 2.91% and 10.30%) per annum.

Bankers' acceptances are subject to interest rates varying between 3.30% and 3.54% (2005: 2.89% and 3.11%) per annum. Trust receipts and revolving credit are subject to interest rates at 5.70% to 6.50% (2005: 2.69% to 4.65%) per annum.

Interest on bank overdrafts are chargeable at 1.00% per annum (2005: NIL) above the lenders' base lending rate.

11. Share capital

	Group/Company	
	2006 RM'000	2005 RM'000
Ordinary shares of RM1.00 each:		
Authorised	200,000	200,000
Issued and fully paid:		
Opening balance	95,547	94,169
- Conversion of 3,757,361 warrants to new ordinary shares of RM1.00 each during the year	3,758	1,378
Closing balance	99,305	95,547

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.

During the year, the registered holders of 3,757,361 (2005: 1,378,233) warrants exercised their rights and subscribed for the equivalent number of new ordinary shares. The remaining 643,340 warrants lapsed on 16 November 2005.