



PERUSAHAAN SADUR TIMAH MALAYSIA
(PERSTIMA) BERHAD (49971-D)
(Incorporated in Malaysia)

ANNUAL REPORT 2010 LAPORAN TAHUNAN 2010

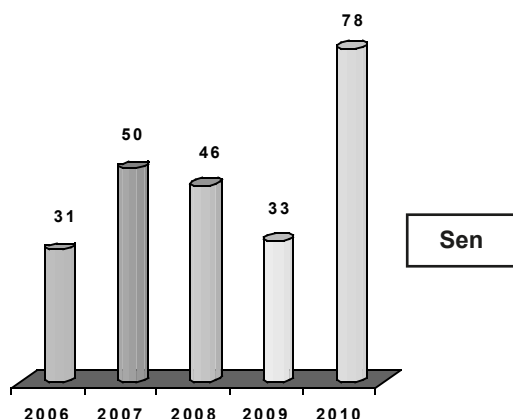
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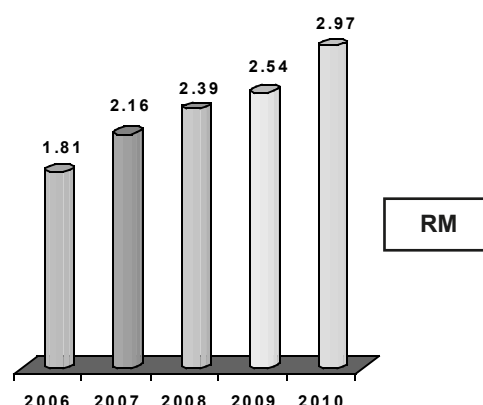
FIVE YEAR FINANCIAL HIGHLIGHTS

	2010	2009	2008	2007	2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	819,577	985,746	740,346	660,565	681,452
Profit before taxation	99,969	39,742	48,706	59,443	36,415
Profit after taxation	77,597	32,252	45,381	50,086	30,708
Dividend per share (sen)	40.5	20.0	20.0	20.0	15.0
Share capital	99,305	99,305	99,305	99,305	99,305
Shareholders' fund	294,903	252,374	237,207	214,088	179,598
Total Tangible Asset	377,356	421,788	375,275	344,522	285,412
Total Borrowing	9,777	107,882	82,809	102,095	70,022
Earning per share (sen)	78	33	46	50	31
Net assets backing per share (RM)	2.97	2.54	2.39	2.16	1.81

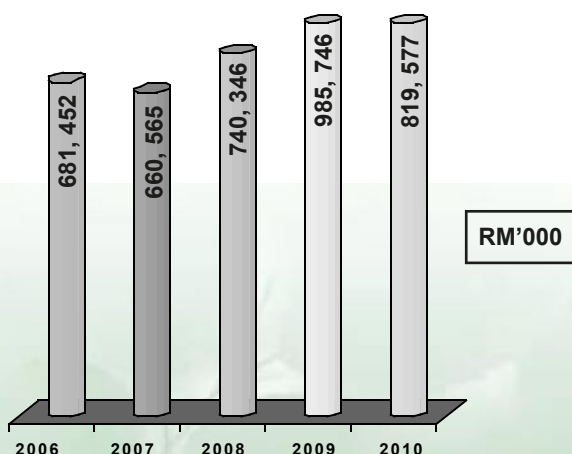
Earning per share



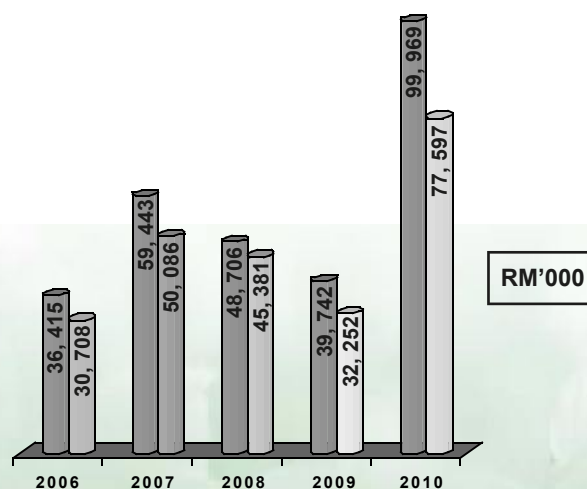
Net assets per share



Revenue



Profit before tax & after tax



CORPORATE INFORMATION

Executive Directors

Hiroshi Kume (Deputy Chairman)
 Shigeki Tashiro (Managing Director)
 Ab. Patah bin Mohd

Non-Independent Non-Executive Directors

Rin Nan Yoong
 Hiroshi Sumino

Independent Non-Executive Directors

Tan Sri Ab. Rahman bin Omar (Chairman)
 Yusuf bin Jamil
 Harun bin Ismail
 Ng Tuan Hoo

Company Secretaries

Liew Irene (MAICSA 7022609)
 Wong Wan Theen (MAICSA 7039045)

Registered Office

Suite 17.4B – 17.5 Level 17
 Menara Weld
 76 Jalan Raja Chulan
 50200 Kuala Lumpur

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

Registrars

Symphony Share Registrars Sdn Bhd (378993-D)
 Level 6 Symphony House
 Block D13 Pusat Dagangan Dana 1
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor

Tel: (60-3) 78418000
 Fax: (60-3) 78418008

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
 CIMB Bank Berhad
 Bank Islam Malaysia Berhad
 AmBank (M) Berhad
 HSBC Bank Malaysia Berhad
 HSBC Bank (Vietnam) Ltd.

Stock Exchange Listing

Bursa Securities (Main Market)

Audit Committee

Harun bin Ismail (Chairman / Independent Non-Executive Director)
 Ng Tuan Hoo (Independent Non-Executive Director)
 Rin Nan Yoong (Non-Independent Non-Executive Director)

Remuneration Committee

Ng Tuan Hoo (Chairman / Independent Non-Executive Director)
 Harun bin Ismail (Independent Non-Executive Director)
 Rin Nan Yoong (Non-Independent Non-Executive Director)
 Hiroshi Sumino (Non-Independent Non-Executive Director)

Nomination Committee

Yusuf bin Jamil (Chairman / Independent Non-Executive Director)
 Harun bin Ismail (Independent Non-Executive Director)
 Ng Tuan Hoo (Independent Non-Executive Director)
 Rin Nan Yoong (Non-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 64 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 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.

From 1970 to 1973, he served in the Administration & Diplomatic Service of the various Government Departments i.e. the Statistics Department, the Ministry of Commerce & Industry and the Ministry of Primary Industries before opting out of civil service in 1978. He was seconded to Pineapple Cannery Malaysia Sdn. Bhd. in late 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 Berhad from 1989 until 1996, and re-appointed as Chairman and Director of EON Berhad from 1996 to June 2008, Director of PROTON from 1991 to 1996, Chairman and Director of BHP Steel Malaysia Sdn. Bhd. in 1998 until February 2003 and Director of DRB-Hicom Berhad from 2005 to July 2008. 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 500,000 ordinary shares of RM1.00 each in the Company.

He is also a Director of Wah Seong Corporation Berhad Group and Chemical Company of Malaysia Berhad. He is also a director of several other private limited companies.

Hiroshi Kume

A Japanese with Malaysian permanent resident status, aged 65 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 31 October 2007. He was re-designated as Executive Deputy Chairman of Perstima on 1 November 2007. 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.

DIRECTORS' PROFILE (CONT'D)

Shigeki Tashiro

A Japanese, aged 55 years, was first appointed to the Board of Directors of Perstima on 23 May 2007 as Deputy Managing Director. He was re-designated as Managing Director of Perstima on 1 November 2007. He graduated from the Faculty of Law, Kobe University, Japan in 1977. He has attended all four Board meetings held during the financial year.

He joined Kawasaki Steel Corporation, Japan in 1977 and held various senior positions particularly in the pipe & tube export Department. In year 1990 to 1994, he was seconded to Kawasaki Steel Corporation London before he was back with Kawasaki Steel Corporation Japan. Subsequently, he was seconded again to Kawasaki Steel Corporation London as General Manager in year 2001 till 2003. In April 2003, he was with JFE Steel Corporation, Head Office (after the merger of Kawasaki Steel Corporation & NKK Corporation) and was assigned as General Manager of Pipe & Tube Export Department before he joined Perstima as Special Advisor in April 1, 2007. 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.

Ab. Patah Bin Mohd

A Malaysian, aged 54 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.

Hiroshi Sumino

A Japanese, aged 65 years, was re-designated as Non-Independent Non-Executive Director on 1 April 2010. He is a member of the 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 resigned from Kawasho Corporation in April 2004. He was first appointed as the Deputy Managing Director of Perstima from February 1989 to December 1992 and was reappointed as Deputy Managing Director on 31 October 1998 till 31 March 2010. 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 200,000 ordinary shares of RM1.00 each in the Company.

DIRECTORS' PROFILE (CONT'D)

Yusuf bin Jamil

A Malaysian, aged 46 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 was appointed the Chairman of the Nomination Committee on 15 May 2008. 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 PriceWaterhouse 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 of its companies.

Harun bin Ismail

A Malaysian, aged 67 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.

DIRECTORS' PROFILE (CONT'D)

Ng Tuan Hoo

A Malaysian, aged 58 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 Chartered Tax Institute of 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 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 44 years, was re-designated as Non-Independent Non-Executive Director on 2 November 2009. He was first appointed to the Board of Directors of Perstima on 26 March 2004 as Independent Non-Executive Director. He 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 is deemed to have an interest in Versalite Sdn Bhd's shareholdings in Perstima by virtue of his 50% shareholdings in Versalite Sdn Bhd., a major shareholder of Perstima and he has direct shareholdings of 44,000 ordinary shares of RM1.00 each in the Company.

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 2010.

Company Performance and Development

During the financial year under review, our Group has recorded a turnover of RM819.6 million, a decrease of 16.9% as compared to the previous year of RM985.7 million. The decrease in turnover was mainly attributed to the lower selling price and sales volume as compared to the previous year. The lower selling price was mainly due to price adjustment from the highest level at the end of year 2008.

However, the Group recorded a higher profit before exceptional items and taxation of RM99.9 million compared to RM39.7 million in the previous year due to better profit margin and strengthening of Ringgit Malaysia against US Dollar.

Dividend

An interim dividend of 13.5 sen per ordinary share of RM1.00 each less 25% income tax was paid on 30 November 2009 and the Board has recommended a final dividend of 27 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 March 2010.

Industry and Prospects

The Board expects the Group's operation and environment to remain challenging and competitive. The steel price is expected to be on an upward trend as a result of tight supply in raw materials. However, to ensure its products competitiveness, the Company is aggressively pursuing the cost improvement programme.

The Group has equipped itself with upgraded facilities of producing the tinplate and tin free steel and well prepared to capture additional market share with competitive pricing. Furthermore, Perstima (Vietnam) Co. Ltd., its subsidiary, is in the process of upgrading its capacity by another 15%. Apart from the above, the Group is venturing into green environment energy programme as part of the Group's commitment in corporate social responsibility. Barring any unforeseen circumstances, the Board envisages that the Group can achieve a satisfactory performance.

Corporate Social Responsibility

The Group consistently supports social and welfare activities in the community it operates. The Group continuously participates in 'gotong-royong', donations to charities and blood donation campaign to instill the culture of caring each other. The Group continuously extends the opportunity to the undergraduates to undergo industrial training in Perstima and provide management trainee post to the graduates. It also plays an active role to cultivate healthy life style among the employees and their family members.

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 in the Board for their invaluable contribution and support throughout the year.

TAN SRI AB. RAHMAN OMAR

Chairman
26 May 2010

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 Group 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 company strategy and direction, investment policy, approval for major capital expenditure projects, consideration of significant financial matters, and it reviews the financial and operating performance of the 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 Company's financial results, major investments, strategic decisions, business plan and direction of the Group.

Details of each Director's attendance of the meetings held during the financial year ended 31 March 2010 are as follows: -

Name	Designation	No. of Meetings attended
Tan Sri Ab. Rahman bin Omar	Chairman, Independent Non-Executive Director	4/4
Hiroshi Kume	Executive Deputy Chairman	4/4
Shigeki Tashiro	Managing Director	4/4
Ab. Patah bin Mohd	Executive Director	4/4
Hiroshi Sumino	Non-Independent Non-Executive Director	4/4
Harun bin Ismail	Independent Non-Executive Director	4/4
Ng Tuan Hoo	Independent Non-Executive Director	4/4
Yusuf bin Jamil	Independent Non-Executive Director	4/4
Rin Nan Yoong	Non-Independent Non-Executive Director	4/4

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Board Committees

The Board of Directors delegates certain responsibilities to the Board Committees, as follows:

Board Committee	Key Functions
Audit Committee	Explained on pages 17 to 20 of this Annual Report
Remuneration Committee	Explained on page 12 of this Annual Report
Nomination Committee	Explained on page 11 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.

Board Balance

The Board currently has nine (9) Directors comprising three (3) Executive Directors and six (6) Non-Executive Directors of whom four (4) are Independent Directors. The Board has met with the requirements of Para 15.02 of the Main Market Listing Requirements of Bursa Securities 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 Independent Non-Executive Chairman and the executive management of the Company is led by Mr. Hiroshi Kume, the Company's Executive Deputy Chairman together with Mr. Shigeki Tashiro, the Managing Director.

The roles of the Chairman, the Executive Deputy 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 Executive Deputy Chairman and 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 mirza@perstima.com.my specifically for the purpose whereby shareholders or other parties may direct any queries or concerns pertaining to the Group. 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 Group.

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 and internal 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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:-

Yusuf bin Jamil	-	Chairman, Independent Non-Executive Director
Harun bin Ismail	-	Independent Non-Executive Director
Ng Tuan Hoo	-	Independent Non-Executive Director
Rin Nan Yoong	-	Non-Independent Non-Executive Director

The Committee consists entirely of Non-Executive Directors.

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 both Executive and Non-Executive Directors.

The Committee met once during the financial year. 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 Secretary will ensure that all appointments are properly made, that all information necessary is obtained, as well as all legal and regulatory obligations are met.

Directors' training

The Board through the Nomination Committee ensures that it recruits to the Board only individuals of sufficient caliber, knowledge and experience to fulfill the duties of a Director appropriately. An orientation and education programme had been provided for the new Board members and all the members of the Board have attended the Mandatory Accreditation Programme (MAP). 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.

Directors are encouraged to attend talks, seminars, workshops, conferences and other training programmes to update themselves on the new developments in the business environment. Seminars and conferences organized by the relevant regulatory authorities and professional bodies on areas relevant to the Directors' responsibilities and corporate governance issues, as well as on changes to statutory requirements and regulatory guidelines, are informed to the Directors, for their participation.

Pursuant to paragraph 15.08(2) and Appendix 9C (Part A, paragraph 28) of the Main Market Listing Requirements of Bursa Securities, the Directors continue to undergo relevant courses and seminars. During the financial year ended 31 March 2010, all the Directors had attended group training on New Frameworks for Listings and Equity Fund-Raisings. Individually, some of the Directors have also attended seminars and training programmes to further enhance their skill and knowledge.

Seminars and training programmes attended by the directors during the financial year are as follows:

- i) Developing sustainable futures lecture series
- ii) Malaysia – The global halal hub
- iii) Putrajaya Committee on GLC high performance 20th meeting
- iv) 2010 budget updates – FRS 139 and FRS 7
- v) Limited liability partnership bill and its impact on accounting practitioners and the public
- vi) National Accountants Conference 2009
- vii) Bursa Malaysia Evening Talks on Corporate Governance

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Re-election

In accordance with the Company's Articles of Association, all directors appointed by the Board are subject to re-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 in 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 re-election of each Director is voted on separately.

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	-	Non-Independent Non- Executive Director
Hiroshi Sumino	-	Non-Independent Non- Executive Director

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

The Committee met once during the financial year.

Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 March 2010 were as follows: -

	-----RM'000-----			
	Fees	Emoluments	Benefit-in-kind	Total
Executive Directors	310	2,170	98	2,578
Non-Executive Directors	374	0	0	374

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

Remuneration Bands (RM)	Executive Directors	Non-Executive Directors
0 – 50,000	-	1
50,001 – 100,000	-	3
150,001 – 200,000	-	1
550,001- 600,000	2	-
600,001- 700,000	1	-
850,001 – 900,000	1	-

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 Group. 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 Company'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.

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.

State of Internal Control

The Statement on Internal Control furnished on page 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 twice 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 17 to 20 of Annual Report

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Corporate Social Responsibility

The company is committed to sustainable development. Safety, health and environment as well as community responsibilities are integral to the way in which the Group conducts its business.

Caring for our communities, protecting for the environment and taking care of the welfare of our employees and subsidiary while delivering our commitment to our customers, are in harmony with our values.

The various elements of our Corporate Social Responsibility (CSR) programme fall in three (3) main categories :-

Quality, Safety & Health and Environment (QSHE)

- Keep on improving Environment Management System Programme relating to the usage of power, wood and paper, water, chemical usage. In progress to implement the centralized compressor by using inverter as a challenge to further improve our EMS programme.
- Communication and education i.e Internal Audit Refresher course – ISO 9001:2008 and ISO 14001.
- Regular review by Top Management for constant improvement.



Internal Audit Refresher – ISO 9001:2008 and ISO 14001

Human Capital Development

- Leadership course Empowerment of the Black Belt Team held at Selesa Hotel Pasir Gudang.
- Team Building cum Outing held at A' Famosa Resort Malacca.
- Motivation Talk for all employees conducted by MPC.
- Forklift training.
- Quality training



Empowerment of the Black Belt Team



Team Building cum Outing held at A' Famosa Resort Malacca



Motivation Talk



Forklift course



CORPORATE GOVERNANCE STATEMENT (CONT'D)

Community and Social Development

- Quarterly Blood Donation Programme held at the company premise.
- Quarterly Religious talk held at our premise.
- Calendar of events for Healthy Life Style Programme including monthly aerobic, brisk walk competition, futsal tournament and many others.
- Frequent tin canned food products donation to charity or association.
- Cash donation for flood and storm prevention, charity day and study encouragement fund by our subsidiary, Perstima (Vietnam) Co., Ltd



Quarterly Blood Donation



Brisk Walk Competition



Futsal Tournament



Monthly Aerobic



Hamper Distribution to the Spastic Children's Association Johor

CORPORATE GOVERNANCE STATEMENT (CONT'D)

OTHER INFORMATION

Material Contracts

As at 31 March 2010, save as disclosed below, there were no material contracts entered into by the Company involving Directors' and major shareholders' interests. JFE Shoji Trade Corporation is a substantial shareholder of the Company and none of the Company's Directors have any interest in JFE Shoji Trade Corporation :

Date	Party	Nature	Total contract (RM'000)	Term	Contract outstanding (RM'000)
Jan, Feb and Mar 2010	JFE Shoji Trade Corporation	Supply of Raw Materials	114,288	Cash	45,630

Recurrent Related Party Transactions

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

Type of Transactions	Party & Relationship	Total (RM' 000)
Purchase of raw materials.	JFE Shoji Trade Corporation, a substantial shareholder of the Company.	346,363
Purchase of raw materials, consumables & plant and equipment	JFE Materials and Machinery Corporation, a wholly owned subsidiary of JFE Shoji Trade Corporation.	3,265
Sale of tinplates	JFE Shoji Steel Malaysia Sdn Bhd, a subsidiary company of JFE Shoji Trade Corporation.	3,242
Sale of tinplates	JFE Shoji Trade Australia Inc., a wholly owned subsidiary of JFE Shoji Trade Corporation.	5,109
Sale of tinplates	PT JFE, a subsidiary company of JFE Shoji Trade Corporation.	632
Sale of tinplates	Kawarin Enterprise Pte. Ltd., an associate company of JFE Shoji Trade Corporation.	435

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

Non- Audit Fees

The amount of non-audit fees paid and payable to the external auditors by the Company for the financial year ended 31 March 2010 amounted to RM12,000.00.

Sanctions / Penalties

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

Compliance Statement

The Company has complied throughout the financial year with all the best practices of corporate governance set out in the Code, except for the Best Practice AAVII (Nomination of a Senior Independent Non-Executive Director) for reason stated in the second last paragraph of the Board Balance on page 10 in the Annual Report.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE MEMBERS

Harun bin Ismail	- Chairman / Independent Non-Executive Director
Ng Tuan Hoo	- Independent Non-Executive Director
Rin Nan Yoong	- Non-Independent Non-Executive 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:

- Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- 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
- 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:

- The audit committee must be composed of no fewer than 3 members;
- All members of the audit committee should be non-executive directors;
- A majority of the audit committee must be independent directors; and
- All members of the audit committee should be financially literate and at least one member of the audit committee: -
 - Must be a member of the Malaysian Institute of Accountants; or
 - 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; or
 - he must be a person who fulfils the requirements as may be prescribed or approved by Bursa Malaysia Securities Berhad and / or such other relevant authorities from time to time.
- No alternate Director of the Board shall be appointed as a member of the Audit Committee.

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 (e) 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 (CONT'D)

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 auditors, his audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and the letter of resignation from the external auditors, if applicable;
- c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly and year-end financial statements of the Company, focusing particularly on:
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- f) To review the external auditors' management letter and management's response;
- g) To do the following, in relation to the internal audit function:
 - Review the adequacy of the scope, functions, competency 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 are 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;
 - Take cognisance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- h) To consider the major findings of internal investigations and management's response;
- i) To ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company;
- j) To consider other areas as defined by the Board or as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authority from time to time.

AUDIT COMMITTEE REPORT (CONT'D)

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 and Group;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

The chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of the matters affecting the Group.

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 twice a year the Audit Committee shall meet with the external auditors without executive Board members present.

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

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

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

A quorum shall consist of a majority of independent directors.

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

ACTIVITIES 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 2010 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) Considered and recommended to the Board for approval, the audit fee payable to the external auditors.
- d) Met with the external auditors twice during the year without the presence of the management and executive Board members.

AUDIT COMMITTEE REPORT (CONT'D)

- e) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the regulatory authorities.
- f) Discussed Main Market Listing Requirements of Bursa Malaysia Securities Berhad and its Practice Notes, particularly on the Malaysian Code on Corporate Governance and the Statement on Internal Control.
- g) Reviewed the quarterly unaudited financial results 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.
- k) Reviewed the effectiveness of the risk management system and risk assessment reports from Group Risk Management Committee. Significant risk issues were summarised and communicated to Board for consideration and resolution.
- l) Reviewed the internal audit programme and plan for the year under review.
- m) Reviewed the internal audit reports and actions taken by the management to improve on the internal controls system.
- n) Met with the Internal auditors once during the year without presence of the management or executive Board members.

The individual member's attendance of the meetings held during the financial year ended 31 March 2010 were as follows:

Members	Designation	No. of meetings attended
Harun bin Ismail	Chairman/Independent Non- Executive Director	5/5
Ng Tuan Hoo	Independent Non- Executive Director	5/5
Rin Nan Yoong	Non-Independent Non- Executive Director	4/5

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the internal audit team whose primary responsibility is to evaluate and report on the adequacy, integrity and effectiveness of the overall system of internal control of the Group. The internal audit function of the Group is outsourced to an external consultant who reports directly to the Audit Committee with its findings and recommendations. Any necessary corrective actions after reporting to the Board of Directors by the Audit Committee will be directed by the Board.

For financial year ended 31 March 2010, the internal audit team has revised the three year risk-based internal audit plan to support the execution of internal control reviews based on the risk profile established by the Risk Management Committee. An internal audit assignment in accordance to the Audit Plan as approved by the Audit Committee covering the area of order management cycle was completed by the internal audit team and the report had been presented to the Audit Committee for its review. The report also includes recommendations as well as proposed corrective actions to be adopted by the management. During the financial year, follow-up audits also has been carried out to determine whether the management has taken the recommended corrective actions in the previous internal audit report.

The cost incurred in outsourcing of the internal audit team to an independent professional firm during the financial year amounted to approximately RM16,000.00.

STATEMENT ON INTERNAL CONTROL

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

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 to create awareness among all management staff on the risk management process. Workshop and interviews were conducted with the senior management staff of the Group to identify and evaluate the significant risks faced by 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 Risk Management Committee and Board of Directors on an annual basis.

INTERNAL AUDIT

The Board recognises the need for an internal audit function and has engaged the services of an independent professional accounting and consulting firm to provide the assurance it requires on the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. The Board has established that the internal audit functions are independent of the activities or operations of the operating units and report directly to the Audit Committee. Scheduled meeting of the internal auditor and Audit Committee were conducted to ensure the appropriateness of the scope and objective of each cycle audit.

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core auditable areas of the Group based on the risk profile established by the Risk Management Committee. Scheduled internal audits are carried out by the internal auditors based on the audit plan and programmes, and revised plan and programmes if any, presented to and approved by the Audit Committee to provide independent and objective reports on the state of internal control of the operating units. The audit focuses on areas with high risk as well as areas identified with inadequate controls to ensure the effectiveness of the controls in mitigating those risks in the detail risk registers. The internal auditors also follow up with the management in the implementation of action plans recommended to improve areas where control deficiencies identified during the internal audits.

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 Company has a policy on the financial limits and approving authority for its revenue and expenditure, and capital expenditure with appropriate approving authority thresholds to ensure all revenue and expenditure, and capital expenditure are in line with the 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
26 May 2010

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

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 2010.

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 5 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
Profit for the year	<u>77,597</u>	<u>53,320</u>

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.

Dividends

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

- i) a final dividend of 8 sen tax exempt per ordinary share and 2 sen per ordinary share less tax at 25% totalling RM7,944,377 and RM1,489,571 (1.5 sen net per ordinary share) respectively in respect of the year ended 31 March 2009 on 12 August 2009; and
- ii) an interim dividend of 13.5 sen per ordinary share less tax at 25% totalling RM10,054,603 in respect of the year ended 31 March 2010 on 30 November 2009.

The Directors proposed a final dividend of 27 sen per ordinary share less tax at 25% totalling RM20,109,206 (20.25 sen net per ordinary share) respectively in respect of the year ended 31 March 2010 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 earnings in the year ending 31 March 2011.

Directors of the Company

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

Tan Sri Ab. Rahman bin Omar
 Mr. Hiroshi Kume
 Mr. Shigeki Tashiro
 Mr. Hiroshi Sumino
 En. Ab. Patah bin Mohd
 En. Harun bin Ismail
 Mr. Ng Tuan Hoo
 En. Yusuf bin Jamil
 Mr. Rin Nan Yoong

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010 (CONT'D)

Directors' interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) 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 April 2009	Bought	Sold	At 31 March 2010
Company					
Mr. Hiroshi Kume	Deemed	32,617,544	--	--	32,617,544
Tan Sri Ab. Rahman bin Omar	Direct	--	500,000	--	500,000
	Deemed	32,617,544	--	(32,617,544)	--
En. Ab. Patah bin Mohd	Direct	100	--	--	100
Mr. Hiroshi Sumino	Direct	200,000	--	--	200,000
Mr. Rin Nan Yoong	Direct	44,000	--	--	44,000
	Deemed	--	32,617,544	--	32,617,544

By virtue of their substantial interests in the shares of the Company, Mr. Hiroshi Kume and Mr. Rin Nan Yoong are also deemed interested in the shares of the subsidiaries.

None of the other Directors holding office at 31 March 2010 had any interest in the ordinary shares of the Company and of its related corporations during the year.

Remuneration Committee membership

The members of the Remuneration Committee are as follows:

Mr. Ng Tuan Hoo (Chairman)
En. Harun bin Ismail
Mr. Rin Nan Yoong
Mr. Hiroshi Sumino

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 and debentures

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010 (CONT'D)

Options granted over unissued shares

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

Other statutory information

Before the balance sheets and income 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 2010 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 on behalf of the Board of Directors in accordance with a resolution of the Directors:

Hiroshi Kume
 Johor Bahru,
 26 May 2010

Hiroshi Sumino

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 55, are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2010 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Hiroshi Kume

Hiroshi Sumino

Johor Bahru,
26 May 2010

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 55 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 in Johor Bahru in the State of Johor on 26 May 2010

Tan Siew Chu

Before me:

K. Amundalingam
PLP, PIS, PPN
Commissioner For Oaths
No. J-133

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the financial statements of Perusahaan Sadur Timah Malaysia (Perstima) Berhad, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 55.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- We have considered the accounts and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
 Firm Number: AF 0758
 Chartered Accountants

Johor Bahru
 26 May 2010

Ang Ah Leck
 Approval Number: 1991/09/11 (J)
 Chartered Accountant

ANNUAL REPORT 2010

BALANCE SHEETS

AT 31 MARCH 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Assets					
Property, plant and equipment	3	92,741	114,263	46,716	52,123
Prepaid lease payments	4	10,911	12,092	6,795	6,999
Investments in subsidiaries	5	--	--	30,400	30,400
Due from a subsidiary	6	--	--	14,463	33,766
Deferred tax assets	7	87	455	--	--
Total non-current assets		103,739	126,810	98,374	123,288
Inventories	8	138,340	137,205	86,018	76,736
Trade and other receivables	9	88,343	97,569	60,027	66,291
Due from a subsidiary	6	--	--	13,090	7,319
Tax recoverable		1,371	1,917	--	--
Cash and cash equivalents	10	45,563	58,287	40,442	34,838
Total current assets		273,617	294,978	199,577	185,184
Total assets		377,356	421,788	297,951	308,472
Equity					
Share capital		99,305	99,305	99,305	99,305
Reserves		195,598	153,069	145,668	111,837
Total equity attributable to equity holders of the Company/ Total equity	11	294,903	252,374	244,973	211,142
Liabilities					
Deferred tax liabilities	7	3,865	3,287	3,865	3,287
Loans and borrowings	12	--	3,145	--	--
Total non-current liabilities		3,865	6,432	3,865	3,287
Trade and other payables	13	61,228	57,031	41,530	29,758
Loans and borrowings	12	9,777	104,737	--	63,071
Taxation		7,583	1,214	7,583	1,214
Total current liabilities		78,588	162,982	49,113	94,043
Total liabilities		82,453	169,414	52,978	97,330
Total equity and liabilities		377,356	421,788	297,951	308,472

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

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue					
Goods sold		819,577	985,746	559,336	661,212
Cost of goods sold		(693,839)	(924,658)	(472,198)	(614,660)
Gross profit		125,738	61,088	87,138	46,552
Other income		2,713	6,676	3,683	10,298
Distribution expenses		(8,886)	(11,163)	(7,758)	(9,327)
Administrative expenses		(10,616)	(9,882)	(8,358)	(7,321)
Other expenses		(9,499)	(2,428)	(4,293)	(79)
Results from operating activities		99,450	44,291	70,412	40,123
Interest income		1,899	1,718	1,877	2,077
Finance costs		(1,380)	(6,267)	(452)	(3,374)
Profit before tax	14	99,969	39,742	71,837	38,826
Tax expense	15	(22,372)	(7,490)	(18,517)	(7,560)
Profit for the year/Attributable to equity holder of the Company		<u>77,597</u>	<u>32,252</u>	<u>53,320</u>	<u>31,266</u>
Basic and diluted earnings per ordinary share (sen)	16	<u>78.1</u>	<u>32.5</u>		

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

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STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

Group	Note	Attributable to equity holders of the Company				Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
At 1 April 2008		99,305	196	(12,697)	150,403	237,207
Net gain recognised directly in equity						
Exchange differences on translation of the financial statements of a foreign subsidiary		--	--	2,776	--	2,776
Profit for the year		--	--	--	32,252	32,252
Total recognised income for the year		--	--	2,776	32,252	35,028
Dividends to shareholders	17	--	--	--	(19,861)	(19,861)
At 31 March 2009		99,305	196	(9,921)	162,794	252,374
Net loss recognised directly in equity						
Exchange differences on translation of the financial statements of a foreign subsidiary		--	--	(15,579)	--	(15,579)
Profit for the year		--	--	--	77,597	77,597
Total recognised income and expense for the year		--	--	(15,579)	77,597	62,018
Dividends to shareholders	17	--	--	--	(19,489)	(19,489)
At 31 March 2010		99,305	196	(25,500)	220,902	294,903

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2010

Company	Note	Non-distributable		Distributable	Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
At 1 April 2008		99,305	196	100,236	199,737
Profit for the year		--	--	31,266	31,266
Dividends to shareholders	17	--	--	(19,861)	(19,861)
At 31 March 2009		99,305	196	111,641	211,142
Profit for the year		--	--	53,320	53,320
Dividends to shareholders	17	--	--	(19,489)	(19,489)
At 31 March 2010		99,305	196	145,472	244,973

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from operating activities					
Profit before tax		99,969	39,742	71,837	38,826
Adjustments for:-					
(Reversal)/Write down of inventories		(5,778)	4,712	(5,336)	4,198
Depreciation and amortisation		13,735	14,042	7,575	7,426
Finance costs		1,380	6,267	452	3,374
Unrealised loss/(gain) on foreign exchange		3,192	(700)	3,996	(5,744)
Interest income		(1,899)	(1,718)	(1,877)	(2,077)
Loss/(Gain) on disposal of property, plant and equipment		6	(143)	8	(149)
Operating profit before changes in working capital		110,605	62,202	76,655	45,854
Changes in working capital:					
Inventories		4,643	(14,993)	(3,946)	6,268
Trade and other receivables		6,034	(23,597)	15,800	(5,674)
Trade and other payables		4,401	5,904	11,976	(4,933)
Cash generated from operations		125,683	29,516	100,485	41,515
Tax paid		(14,511)	(6,840)	(11,570)	(5,145)
Net cash from operating activities		111,172	22,676	88,915	36,370
Cash flows from investing activities					
Acquisition of property, plant and equipment		(3,028)	(6,574)	(2,197)	(3,663)
Proceeds from disposal of property, plant and equipment		28	857	21	207
Interest received		1,899	1,718	1,877	2,077
Net cash used in investing activities		(1,101)	(3,999)	(299)	(1,379)
Cash flows from financing activities					
Net short term borrowings		(94,262)	30,766	(63,071)	1,669
Repayment of term loans		(3,843)	(5,693)	--	--
Dividends paid to shareholders of the Company		(19,489)	(19,861)	(19,489)	(19,861)
Interest paid		(1,380)	(6,267)	(452)	(3,374)
Net cash used in financing activities		(118,974)	(1,055)	(83,012)	(21,566)

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

CASH FLOW STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Exchange differences on translation of the financial statements of foreign operations		84	(454)	--	--
Net (decrease)/increase in cash and cash equivalents		(8,819)	17,168	5,604	13,425
Cash and cash equivalents at 1 April		58,287	40,429	34,838	21,413
Foreign exchange difference on opening balances		(3,905)	690	--	--
Cash and cash equivalents at 31 March	10	45,563	58,287	40,442	34,838

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

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NOTES TO THE FINANCIAL STATEMENTS

Perusahaan Sadur Timah Malaysia (Perstima) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

PLO 255, Jalan Timah Tiga
Kawasan Perindustrian Pasir Gudang
81700 Pasir Gudang
Johor, Malaysia

Registered office

Suite 17.4B - 17.5, Level 17
Menara Weld
No. 76, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia

The consolidated financial statements of the Company as at and for the year ended 31 March 2010 comprise the Company and its subsidiaries. The financial statements of the Company as at and for the year ended 31 March 2010 do not include other entities.

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 5.

The financial statements were approved by the Board of Directors on 26 May 2010.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), the Companies Act, 1965 and accounting principles generally accepted in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009

- FRS 8, *Operating Segments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*
- Amendments to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 132, *Financial Instruments: Presentation*
 - *Puttable Financial Instruments and Obligations Arising on Liquidation*
 - *Separation of Compound Instruments*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
 - *Reclassification of Financial Assets*
 - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors*, in respect of applying FRS 4, FRS 7, FRS 139 and IC Interpretation 12 are not disclosed by virtue of the exemptions given in these respective FRSs.

The other standards, amendments, interpretations and improvements are either not applicable or are not expected to have any material impact on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2 (c).

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any accumulated impairment losses.

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date. The income and expenses of operations in functional currencies other than RM, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost or valuation less any accumulated depreciation and any accumulated impairment losses.

Revalued property, plant and equipment where no revaluation policy is adopted.

The Group has availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1998. Certain leasehold land and buildings were revalued in June 1991 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustments based on a valuation).

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Buildings are depreciated on a straight-line basis over 5 to 25 years. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

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

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

(d) Leased assets

Prepaid lease payments

Leases, where the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Company's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Leasehold land is amortised in equal instalments over the period of respective leases which range from 38 to 99 years.

Certain leasehold land were revalued in June 1991 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when it first adopted FRS 117, Leases in 2008.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(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, if any.

(h) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(i) Impairment of assets

The carrying amounts of assets except for financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

(i) Impairment of assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss 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. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

(j) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary difference arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Revenue recognition

Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

(l) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

(m) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred.

(n) Employee benefits

Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(o) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(p) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment

<i>Group</i>	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in -progress RM'000	Total RM'000
At cost/valuation					
At 1 April 2008	35,880	249,011	15,735	32,136	332,762
Additions	107	3,947	818	1,702	6,574
Disposals/Written off	--	(1,312)	(431)	--	(1,743)
Transfers	554	33,521	--	(34,075)	--
Exchange differences	440	2,103	39	663	3,245
At 31 March 2009/ 1 April 2009	36,981	287,270	16,161	426	340,838
Additions	707	1,461	505	355	3,028
Disposals/Written off	--	(192)	(149)	--	(341)
Transfers	158	15	28	(201)	--
Adjustment	--	--	--	(204)	(204)
Exchange differences	(2,120)	(14,549)	(200)	--	(16,869)
At 31 March 2010	35,726	274,005	16,345	376	326,452
Representing items at:					
Cost	18,538	274,005	16,345	376	309,264
Directors' valuation	17,188	--	--	--	17,188
	35,726	274,005	16,345	376	326,452
Accumulated depreciation					
At 1 April 2008	18,711	180,228	13,034	--	211,973
Depreciation charge	1,370	11,303	1,024	--	13,697
Disposals/Written off	--	(610)	(419)	--	(1,029)
Exchange differences	78	779	29	--	886
At 31 March 2009/ 1 April 2009	20,159	191,700	13,668	--	225,527
Depreciation charge	1,364	11,049	973	--	13,386
Disposals/Written off	--	(164)	(143)	--	(307)
Exchange differences	(494)	(5,281)	(168)	--	(5,943)
At 31 March 2010	21,029	197,304	14,330	--	232,663
Accumulated impairment losses					
At 1 April 2008/31 March 2009	1,048	--	--	--	1,048
At 1 April 2009/31 March 2010	1,048	--	--	--	1,048
Carrying amounts					
At 31 March 2010	13,649	76,701	2,015	376	92,741
At 31 March 2009	15,774	95,570	2,493	426	114,263

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (cont'd)

<i>Company</i>	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in -progress RM'000	Total RM'000
At cost/valuation					
At 1 April 2008	23,722	171,893	14,659	546	210,820
Additions	107	1,729	738	1,089	3,663
Transfer	554	--	--	(554)	--
Disposals	--	(54)	(431)	--	(485)
At 31 March 2009/1 April 2009	24,383	173,568	14,966	1,081	213,998
Additions	495	910	437	355	2,197
Transfer	158	670	28	(856)	--
Disposals/Written off	--	(192)	(99)	--	(291)
Adjustment	--	--	--	(204)	(204)
At 31 March 2010	25,036	174,956	15,332	376	215,700
Representing items at:					
Cost	7,848	174,956	15,332	376	198,512
Directors' valuation	17,188	--	--	--	17,188
	25,036	174,956	15,332	376	215,700
Accumulated depreciation					
At 1 April 2008	16,663	125,085	12,284	--	154,032
Depreciation charge	841	5,528	853	--	7,222
Disposals	--	(8)	(419)	--	(427)
At 31 March 2009/1 April 2009	17,504	130,605	12,718	--	160,827
Depreciation charge	865	5,668	838	--	7,371
Disposals/Written off	--	(164)	(98)	--	(262)
At 31 March 2010	18,369	136,109	13,458	--	167,936
Accumulated impairment losses					
At 1 April 2008/31 March 2009	1,048	--	--	--	1,048
At 1 April 2009/31 March 2010	1,048	--	--	--	1,048
Carrying amounts					
At 31 March 2010	5,619	38,847	1,874	376	46,716
At 31 March 2009	5,831	42,963	2,248	1,081	52,123

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Carrying amounts of buildings				
At valuation				
Buildings	2,770	3,283	2,770	3,283
At cost				
Buildings	10,879	12,491	2,849	2,548
	<u>13,649</u>	<u>15,774</u>	<u>5,619</u>	<u>5,831</u>

Revaluation

The 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 factory buildings been carried at cost model, their carrying amounts would have been as follows:

	Group/Company	
	2010 RM'000	2009 RM'000
Cost	20,122	20,122
Less: Accumulated depreciation	(18,314)	(17,508)
Carrying amounts	<u>1,808</u>	<u>2,614</u>

Security

Certain property, plant and equipment of the Group and of the Company with a net book value of RM96,309,000 (2009: RM114,253,000) and RM46,716,000 (2009: RM52,123,000) respectively are charged to a bank as security for credit facilities as disclosed in Note 12.

Impairment losses

The impairment losses arose 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 fully depreciated property, plant and machinery of the Group and the Company but still in use amounted to RM124,915,000 (2009: RM162,237,000) and RM124,914,000 (2009: RM123,933,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Prepaid lease payments

Group	Leasehold land Unexpired period less than 50 years RM'000	Leasehold land Unexpired period more than 50 years RM'000	Total RM'000
At cost			
At 1 April 2008	10,027	6,296	16,323
Exchange differences	--	478	478
At 31 March 2009/1 April 2009	10,027	6,774	16,801
Exchange differences	--	(1,055)	(1,055)
At 31 March 2010	10,027	5,719	15,746
Accumulated amortisation			
At 1 April 2008	3,182	885	4,067
Amortisation charge	199	146	345
Exchange differences	--	297	297
At 31 March 2009/1 April 2009	3,381	1,328	4,709
Amortisation charge	199	150	349
Exchange differences	--	(223)	(223)
At 31 March 2010	3,580	1,255	4,835
Carrying amounts			
At 31 March 2010	6,447	4,464	10,911
At 31 March 2009	6,646	5,446	12,092
Company			
At cost			
At 1 April 2008/31 March 2009	10,027	440	10,467
At 1 April 2009/31 March 2010	10,027	440	10,467
Accumulated amortisation			
At 1 April 2008	3,182	82	3,264
Amortisation charge	199	5	204
At 31 March 2009/1 April 2009	3,381	87	3,468
Amortisation charge	199	5	204
At 31 March 2010	3,580	92	3,672
Carrying amounts			
At 31 March 2010	6,447	348	6,795
At 31 March 2009	6,646	353	6,999

Security

Certain prepaid lease payment of the Group and of the Company with a net book value of RM10,563,000 (2009: RM11,739,000) and RM6,447,000 (2009: RM6,646,000) are charged to bank as security for credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investments in subsidiaries

	Company	
	2010 RM'000	2009 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	
			2010 %	2009 %
Perstima (Vietnam) Co., Ltd.*	Manufacturing and sale of tinplates and tin free steel	Vietnam	100	100
Perstima Tin Plate Sdn. Bhd.	Dormant	Malaysia	100	100

* Audited by a member firm of KPMG International.

6. Due from a subsidiary

Company

The amount due from a subsidiary is denominated in US Dollar, non-trade in nature, unsecured and interest is chargeable at 4% per annum commencing from 1 April 2004 and is repayable by quarterly instalment basis through 15 August 2015.

7. Deferred tax assets and liabilities

Deferred tax liabilities and assets are offset 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 following amounts, determined after appropriate offsetting, are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deferred tax assets	(87)	(455)	--	--
Deferred tax liabilities	3,865	3,287	3,865	3,287
	<u>3,778</u>	<u>2,832</u>	<u>3,865</u>	<u>3,287</u>

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property, plant and equipment				
- capital allowances	5,588	5,495	5,588	5,495
- revaluation	1,470	1,516	1,470	1,516
Allowances and other accruals	(3,220)	(3,798)	(3,193)	(3,724)
Unrealised loss on foreign exchange	(60)	(381)	--	--
	<u>3,778</u>	<u>2,832</u>	<u>3,865</u>	<u>3,287</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Deferred tax assets and liabilities (cont'd)

Movement in temporary differences during the year are as follows:

	At 1 April 2008 RM'000	Recognised in income statements RM'000	At 31 March 2009 RM'000	Recognised in income statements RM'000	At 31 March 2010 RM'000
Group					
Property, plant and equipment					
- capital allowances	5,447	48	5,495	93	5,588
- revaluation	1,561	(45)	1,516	(46)	1,470
Allowance and other accruals	(2,876)	(922)	(3,798)	578	(3,220)
Unrealised foreign exchange loss	--	(381)	(381)	321	(60)
Unutilised tax losses	(164)	164	--	--	--
	<u>3,968</u>	<u>(1,136)</u>	<u>2,832</u>	<u>946</u>	<u>3,778</u>
Company					
Property, plant and equipment					
- capital allowances	5,447	48	5,495	93	5,588
- revaluation	1,561	(45)	1,516	(46)	1,470
Allowance and other accruals	(2,876)	(848)	(3,724)	531	(3,193)
	<u>4,132</u>	<u>(845)</u>	<u>3,287</u>	<u>578</u>	<u>3,865</u>

8. Inventories

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Finished goods	52,573	61,891	31,345	26,650
Work-in-progress	5,389	5,092	3,878	3,919
Raw materials	70,404	61,044	45,260	42,049
Consumables	9,974	9,178	5,535	4,118
	<u>138,340</u>	<u>137,205</u>	<u>86,018</u>	<u>76,736</u>

9. Trade and other receivables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	84,791	92,533	58,816	64,766
Other receivables, deposits and prepayments	3,552	5,036	1,211	1,525
	<u>88,343</u>	<u>97,569</u>	<u>60,027</u>	<u>66,291</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Trade and other receivables (cont'd)

Significant trade receivables outstanding at year end that are not in the functional currency of the Group entities are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Foreign currency:				
USD	<u>39,368</u>	<u>45,283</u>	<u>13,344</u>	<u>25,407</u>

10. Cash and cash equivalents

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances	5,147	17,505	3,127	11,509
Deposits with licensed banks	<u>40,416</u>	<u>40,782</u>	<u>37,315</u>	<u>23,329</u>
	<u>45,563</u>	<u>58,287</u>	<u>40,442</u>	<u>34,838</u>

Significant cash and cash equivalents outstanding at year end that are not in the functional currency of the Group entities are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Foreign currency:				
USD	<u>1,915</u>	<u>7,415</u>	<u>427</u>	<u>5,891</u>

11. Share capital and reserves

Share capital	Group/Company		Group/Company Number of ordinary shares	
	2010 RM'000	2009 RM'000	2010 '000	2009 '000
Ordinary shares of RM1.00 each:				
Authorised	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid	<u>99,305</u>	<u>99,305</u>	<u>99,305</u>	<u>99,305</u>
Reserve				
	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable				
Revaluation reserve	196	196	196	196
Translation reserve	(25,500)	(9,921)	--	--
Distributable				
Retained earnings	<u>220,902</u>	<u>162,794</u>	<u>145,472</u>	<u>111,641</u>
	<u>195,598</u>	<u>153,069</u>	<u>145,668</u>	<u>111,837</u>

Section 108 tax credit and tax exempt account

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt account to frank the payment of dividends out of its entire retained earnings at 31 March 2010.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Loans and borrowings

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current				
Secured				
Term loans	--	3,145	--	--
Current				
Secured				
Bankers' acceptances	--	56,099	--	56,099
Term loans	--	698	--	--
Trust receipts	9,777	40,968	--	--
Unsecured				
Bankers' acceptances	--	6,972	--	6,972
	9,777	104,737	--	63,071
	9,777	107,882	--	63,071

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

Terms and debt repayment schedule

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group					
2010					
Secured trust receipts	--	9,777	9,777	--	--
2009					
Bankers' acceptances					
- Secured	--	56,099	56,099	--	--
- Unsecured	--	6,972	6,972	--	--
Secured trust receipts		40,968	40,968	--	--
Secured term loans - USD	2013	3,843	698	1,397	1,748
		107,882	104,737	1,397	1,748
Company					
2009					
Bankers' acceptances					
- Secured	--	56,099	56,099	--	--
- Unsecured	--	6,972	6,972	--	--
		63,071	63,071	--	--

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Trade and other payables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables	39,492	36,682	25,157	13,038
Other payables and accrued expenses	21,736	20,349	16,373	16,720
	<u>61,228</u>	<u>57,031</u>	<u>41,530</u>	<u>29,758</u>

Included in other payables and accrued expenses are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Other payables	668	1,173	649	582
Accrued expenses for sales rebate	8,007	9,127	8,007	9,127
Advance payment from customers	2,404	1,213	--	--
Other accrued expenses	10,657	8,836	7,589	7,011
	<u>21,736</u>	<u>20,349</u>	<u>16,245</u>	<u>16,720</u>

Included in trade payables of the Group and of the Company is an amount of RM29,406,000 (2009: RM31,901,000) and RM16,304,000 (2009: RM10,164,000) respectively due to substantial shareholders of the Company arising from purchases of raw materials.

Significant trade payables outstanding at year end that are not in the functional currency of the Group entities are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Foreign currency:				
USD	<u>35,159</u>	<u>33,126</u>	<u>21,962</u>	<u>10,164</u>

14. Profit before tax

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax is arrived at after charging / (crediting)				
Audit fees				
- Company's auditors	75	72	75	72
- Other auditors	43	38	--	--
Depreciation and amortisation	13,735	14,042	7,575	7,426
Personnel expenses (including key management personnel):				
- Wages, salaries and others	16,128	15,361	13,603	12,836
- Contributions to Employees Provident Fund	1,411	1,395	1,411	1,395
Rental of premises and equipment	629	722	331	318
Loss/(Gain) on disposal of property, plant and equipment	6	(143)	8	(149)
Unrealised loss/(gain) on foreign exchange	3,192	(700)	3,996	(5,744)
(Reversal)/Write down of inventories	(5,778)	4,712	(5,336)	4,198
Hostel rental income	(36)	(58)	(36)	(58)
Realised loss/(gain) on foreign exchange	5,816	2,509	223	(360)
Technical fee income receivable	--	--	(1,136)	(1,123)
Reversal of allowance for doubtful debt	(101)	(173)	(101)	(173)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Profit before tax (cont'd)

Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group. There are no other key management personnel other than the Directors.

Key management personnel compensation are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors				
- Fees	684	594	684	594
- Remuneration : Company	2,170	2,210	2,138	2,085
Subsidiary	204	--	--	--
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	98	94	98	94
Total short-term employee benefits	<u>3,156</u>	<u>2,898</u>	<u>2,920</u>	<u>2,773</u>

15. Tax expense

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Tax expense				
- Current year	19,887	8,379	18,187	8,164
- Under/(Over) provided in prior years	1,539	247	(248)	241
	<u>21,426</u>	<u>8,626</u>	<u>17,939</u>	<u>8,405</u>
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	861	(637)	534	(352)
- Under/(Over) provided in prior years	85	(499)	44	(493)
	<u>946</u>	<u>(1,136)</u>	<u>578</u>	<u>(845)</u>
	<u>22,372</u>	<u>7,490</u>	<u>18,517</u>	<u>7,560</u>

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
Reconciliation of effective tax expense				
Profit before tax	<u>99,969</u>	<u>39,742</u>	<u>71,837</u>	<u>38,826</u>
Tax at Malaysian tax rate of 25% (2009: 25%)	24,992	9,936	17,959	9,707
Effect of different tax rates in foreign jurisdictions	(5,041)	(278)	--	--
Non deductible expenses	1,307	59	1,168	37
Tax exempt income	(445)	(1,857)	(356)	(1,857)
Tax incentives	(691)	(133)	(50)	(75)
Effect of change in tax rate	626	15	--	--
	<u>20,748</u>	<u>7,742</u>	<u>18,721</u>	<u>7,812</u>
Under/(Over) provided in prior years	1,624	(252)	(204)	(252)
Tax expense	<u>22,372</u>	<u>7,490</u>	<u>18,517</u>	<u>7,560</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Earnings per ordinary share

Group

a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2010 RM'000	2009 RM'000
Profit for the year attributable to shareholders	<u>77,597</u>	<u>32,252</u>
	Group	
	2010 Numbers of share '000	2009 Numbers of share '000
Issued ordinary shares at 1 April/ Weighted average number of ordinary shares at 31 March	<u>99,305</u>	<u>99,305</u>
Basic earnings per ordinary share	<u>78.1</u>	<u>32.5</u>

b) Diluted earnings per ordinary share

No disclosure is made for diluted earnings per share for the year as there is no dilutive potential ordinary shares outstanding.

17. Dividends

Dividends recognised in the current year by the Group/Company are :

	Sen per share	Total amount RM'000	Date of payment
2010			
2010 - Interim, net of tax	10.13	10,055	30 November 2009
2009 - Final, tax exempt	8.00	7,944	12 August 2009
2009 - Final, net of tax	1.50	1,490	12 August 2009
Total amount		<u>19,489</u>	
2009			
2009 - Interim, tax exempt	10.00	9,931	2 December 2008
2008 - Final, tax exempt	10.00	9,930	15 August 2008
Total amount		<u>19,861</u>	

After the balance sheet date the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM'000
2010 - Final, net of tax	20.25	<u>20,109</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Capital commitments

	Group/Company	
	2010	2009
	RM'000	RM'000
Plant and equipment		
Contracted for but not provided for	882	605

19. Contingent liabilities (unsecured)

	Company	
	2010	2009
	RM'000	RM'000
Corporate guarantees given to a subsidiary for banking facilities	113,519	96,735

20. 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 USD36,300 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	
	2010	2009
	RM'000	RM'000
Less than one year	277	127
Between one and five years	515	506
More than five years	3,977	4,036
	4,769	4,669

21. Segment reporting

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 Vietnam apart from Malaysia.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Segment reporting (cont'd)

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.

Revenue from sales to external customers by location of customers are as follows:

	Group	
	2010 RM'000	2009 RM'000
Malaysia	466,384	602,405
Vietnam	196,745	214,835
Others	156,448	168,506
	<u>819,577</u>	<u>985,746</u>

	Malaysia		Vietnam		Eliminations		Consolidated	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000

Geographical segments by location of assets

Revenue from external customers/total revenue	559,336	661,212	260,241	324,534	--	--	819,577	985,746
---	---------	---------	---------	---------	----	----	---------	---------

Segment results/operating profit	70,412	40,123	27,465	2,619	1,573	1,549	99,450	44,291
----------------------------------	--------	--------	--------	-------	-------	-------	--------	--------

Interest income							1,899	1,718
Finance costs							(1,380)	(6,267)

Profit before tax							99,969	39,742
Tax expense							(22,372)	(7,490)

Profit for the year							77,597	32,252
---------------------	--	--	--	--	--	--	--------	--------

Segment assets	227,109	243,234	138,234	166,775	(35,008)	(48,880)	330,335	361,129
Unallocated assets							47,021	60,659

Total assets							377,356	421,788
--------------	--	--	--	--	--	--	---------	---------

Segment liabilities	41,530	29,758	21,136	28,114	(1,438)	(841)	61,228	57,031
Unallocated liabilities							21,225	112,383

Total liabilities							82,453	169,414
-------------------	--	--	--	--	--	--	--------	---------

Capital expenditure	2,197	3,663	831	3,831	--	--	3,028	7,494
Depreciation and amortisation	7,575	7,426	7,733	8,189	(1,573)	(1,573)	13,735	14,042

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 6 (2009: 6) and 4 (2009: 4) major customers respectively. The amount due from these customers represent 53% (2009: 63%) and 52% (2009: 53%) 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.

The Company uses forward contracts from time to time when it is considered necessary to mitigate foreign currency risk. The outstanding forward contracts as at year end are not significant to the financial statements.

Interest rate risk

The Group's and the Company's exposure to changes in interest rates relate primarily to the 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 average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group 2010	Average effective interest rate %	Total RM'000	Less than 1 year RM'000
Fixed rate instruments			
Deposits with licensed banks	2.72	40,416	40,416
Secured trust receipts	3.80	(9,777)	(9,777)
		<u>30,639</u>	<u>30,639</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Financial instruments (cont'd)

Group 2009	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000
Fixed rate instruments						
Deposits with licensed banks	2.74	40,782	40,782	--	--	--
Bankers' acceptances						
- Secured	2.71	(56,099)	(56,099)	--	--	--
- Unsecured	2.71	(6,972)	(6,972)	--	--	--
Secured trust receipts	4.28	(40,968)	(40,968)	--	--	--
		(63,257)	(63,257)	--	--	--
Floating rate instruments						
Secured term loans - USD	6.05	(3,843)	(3,843)	--	--	--
Company 2010						
Fixed rate instruments						
Due from a subsidiary	4.00	27,553	13,090	13,090	982	391
Deposits with licensed banks	2.19	37,315	37,315	--	--	--
		64,868	50,405	13,090	982	391
2009						
Fixed rate instruments						
Due from a subsidiary	4.00	41,085	7,319	7,319	7,319	19,128
Deposits with licensed banks	1.59	23,329	23,329	--	--	--
Bankers' acceptances						
- Secured	2.71	(56,099)	(56,099)	--	--	--
- Unsecured	2.71	(6,972)	(6,972)	--	--	--
		1,343	(32,423)	7,319	7,319	19,128

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 aggregate fair value of other financial asset carried on the balance sheet as at 31 March is shown below:

Company	2010		2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial asset				
Due from a subsidiary	<u>27,553</u>	<u>27,520</u>	<u>41,085</u>	<u>39,752</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Group and the Company are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Substantial shareholders				
- Purchases of raw materials	441,253	658,883	276,506	404,558
- Purchase of property, plant and equipment	--	1,147	--	79
- Sales of tinplates	9,600	13,054	9,600	13,054
Subsidiary				
- Interest receivable	--	--	1,423	1,682
- Technical fee receivable	--	--	1,247	1,245

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	April 1992 *	Factory And Office (approx. 28 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	11,622
HS(D) 8092 Lot PTD 643 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	April 1992 *	Vacant Residential Land	12,168.6 sq.ft.	99-year lease expiring 13 December 2088	74
HS(D) 8094 Lot PTD 652 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	April 1992 *	Vacant Residential Land	14,595.8 sq.ft.	99-year lease expiring 13 December 2088	89
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	April 1992 *	Double Storey Semi-Detached House (approx. 28 years old)	31,309 sq.ft.	90-year lease expiring 24 June 2070	185
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Staff Apartment (approx. 19 years old)	18,496.5 sq.ft.	99-year lease expiring 2 November 2085	222
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Staff Apartment (approx. 14 years old)	38,750.4 sq.ft.	99-year lease expiring 28 April 2093	222
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. 7 years old)	387,492 sq.ft.	43-year lease expiring 11 February 2046	12,146

The Company does not have a revaluation policy on the landed property. Please refer to Note 2(c), (d) & (i) to the financial statements on pages 36 to 38.

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 31 MAY 2010

Authorised Share Capital	:	RM200,000,000.00
Issued and Paid-Up Share Capital	:	RM99,304,720.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per share

Size of Shareholdings	No. of Shareholders	Total Shareholdings	Percentage (%) of Issued Capital
Less than 100	63	1,979	0.00
100 to 1,000	5,946	2,014,619	2.03
1,001 to 10,000	1,658	5,212,533	5.25
10,001 to 100,000	194	5,512,263	5.55
100,001 to less than 5% issued shares	35	19,470,782	19.61
5% and above of issued shares	4	67,092,544	67.56
TOTAL	7,900	99,304,720	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MAY 2010

Name of shareholders	No. of Shares	% of Issued Capital
1. Versalite Sdn Bhd	32,617,544	32.85
2. JFE Shoji Trade Corporation	13,852,000	13.95
3. Cartaban Nominees (Asing) Sdn Bhd Exempt An For Daiwa Securities SMBC Singapore Limited (Trust Account)	11,150,000	11.23
4. RHB Capital Nominees (Asing) Sdn Bhd Mitsui & Co. Ltd-(J)	9,473,000	9.54
5. Pui Cheng Wui	2,888,882	2.91
6. Pui Cheng Wui	1,813,000	1.83
7. HSBC Nominees (Asing) Sdn Bhd HSBC Sg for Lee Pineapple Company (Pte) Limited	1,709,500	1.72
8. M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Saw Peng (M11125-188)	1,500,000	1.51
9. HSBC Nominees (Asing) Sdn Bhd Exempt An For The Hongkong And Shanghai Banking Corporation Limited (HBFS-B CLT 500)	925,000	0.93

SHAREHOLDERS' INFORMATION (CONT'D)

THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MAY 2010 (CONT'D)

Name of shareholders	No. of Shares	% of Issued Capital
10. Ong Wuang Hoe	915,600	0.92
11. M.I.T Nominees (Tempatan) Sdn Bhd Ong Wuang Hoe	705,000	0.71
12. Ong Saw Peng	621,700	0.63
13. Ho Han Seng	600,000	0.60
14. Pang Heng Hoe	582,100	0.59
15. Ong Siew Hwa	550,100	0.55
16. Chua Sim Neo @ Diana Chua	549,100	0.55
17. Ab Rahman bin Omar	500,000	0.50
18. Mohd Nordin bin Che Deris	500,000	0.50
19. Wong Lok Jee @ Ong Lok Jee	461,000	0.47
20. Ong Fang Loong	450,800	0.45
21. Muto Kazuko	446,300	0.45
22. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Heng Hoe (E-SRB)	378,300	0.38
23. Lin Chen Su-Chiung	360,900	0.36
24. Liew Yam Fee	303,500	0.31
25. Nahoorammah a/p Sithamparam Pillay	300,000	0.30
26. Khor Saw Hoon	285,000	0.29
27. Shin Eun Sook	268,800	0.27
28. Chee Kheng Can Factory Sdn Berhad	216,300	0.22
29. Hiroshi Sumino	200,000	0.20
30. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang See Hing (E-TJJ/TMB)	192,000	0.19
Total	85,315,426	85.91

SHAREHOLDERS' INFORMATION (CONT'D)

SUBSTANTIAL SHAREHOLDERS AS AT 31 MAY 2010

Name of Substantial Shareholder	-----Direct Interest-----		-----Indirect Interest-----	
	No. of Shares held	% of Issued Capital	No. of Shares held	% of Issued Capital
Versalite Sdn Bhd	32,617,544	32.85	-	-
Hiroshi Kume	-	-	32,617,544 ⁽¹⁾	32.85
Rin Nan Yoong	-	-	32,617,544 ⁽²⁾	32.85
JFE Shoji Trade Corporation	13,852,000	13.95	-	-
JFE Steel Corporation	11,150,000	11.23	-	-

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

⁽²⁾ Deemed interested by virtue of his 50% interest in Versalite Sdn Bhd

DIRECTORS' INTERESTS AS AT 31 MAY 2010

Name	-----Direct-----		-----Indirect-----	
	No. of Shares held	% of Issued Capital	No. of Shares held	% of Issued Capital
Hiroshi Kume	-	-	32,617,544 ⁽¹⁾	32.85
Tan Sri Ab. Rahman bin Omar	500,000	0.50	-	-
Ab. Patah bin Mohd	100	0.00	-	-
Hiroshi Sumino	200,000	0.20	-	-
Rin Nan Yoong	44,000	0.04	32,617,544 ⁽²⁾	32.85

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

⁽²⁾ Deemed interested by virtue of his 50.00% interest in Versalite Sdn Bhd

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Second 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 Tuesday, 27 July 2010 at 11.00 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 2010 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) Tan Sri Ab. Rahman Bin Omar
- (ii) Shigeki Tashiro
- (iii) Hiroshi Sumino

Resolution 2

Resolution 3

Resolution 4

- 3) To approve the payment of Directors' Fee of RM684,000 for the financial year ended 31 March 2010.

Resolution 5

- 4) To approve the payment of a final dividend of 27 sen per ordinary share of RM1.00 each less 25% income tax, in respect of the financial year ended 31 March 2010.

Resolution 6

- 5) To re-appoint the Auditors, Messrs KPMG and to authorise the Directors to fix their remuneration.

Resolution 7

As Special Business

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

- 6) Proposed Renewal of 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")

"THAT, pursuant to Paragraph 10.09 Part E of the Bursa Malaysia Securities Berhad Main Market 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 3.1.2 of the Circular to Shareholders dated 5 July 2010 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AGENDA (cont'd)

As Special Business (cont'd)

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 8

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirty-Second Annual General Meeting, a final dividend of 27 sen per ordinary share of RM1.00 each less 25% income tax, in respect of the financial year ended 31 March 2010 will be paid to shareholders on 12 August 2010. The entitlement date for the said dividend shall be 28 July 2010.

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

- Shares deposited into the depositor's securities account before 12.30 p.m. on 26 July 2010 (in respect of shares which are exempted from mandatory deposit);
- Shares transferred to the depositor's securities account before 4.00 p.m. on 28 July 2010 in respect of transfers;
- 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
LIEW IRENE (MAICSA 7022609)
WONG WAN THEEN (MAICSA 7039045)
Company Secretaries

5 July 2010

NOTES:

- 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.
- 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.
- A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint at least one proxy in respect of each securities account.
- The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Suite 17.4B-17.5, Level 17, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

5. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8

Proposed Renewal of 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 8, please refer to the Circular to Shareholders dated 5 July 2010 accompanying the Company's Annual Report for the financial year ended 31 March 2010.

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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 Thirty-Second 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 Tuesday, 27 July 2010 at 11.00 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 2010 and Directors' and Auditors' Reports thereon		
Resolution 2	Re-election of Tan Sri Ab. Rahman Bin Omar as Director - Article 86 of the Articles of Association of the Company		
Resolution 3	Re-election of Shigeki Tashiro as Director - Article 86 of the Articles of Association of the Company		
Resolution 4	Re-election of Hiroshi Sumino as Director - Article 86 of the Articles of Association of the Company		
Resolution 5	Approval of Directors' Fee		
Resolution 6	Approval of a final dividend of 27 sen per ordinary share of RM1.00 each less 25% income tax		
Resolution 7	Re-appointment of Messrs KPMG as Auditors of the Company and authorise the Directors to fix the Auditors' remuneration		
Resolution 8	Proposed Renewal of 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 2010

.....
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. 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.
3. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint at least one proxy in respect of each securities account.
4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Suite 17.4B-17.5, Level 17, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

FOLD HERE



PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD
SUITE 17.4B - 17.5, LEVEL 17, MENARA WELD
76 JALAN RAJA CHULAN
50200 KUALA LUMPUR

FOLD HERE

