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

LAPORAN TAHUNAN 2015 ANNUAL REPORT

PERSTIMA

PERUSAHAAN SADUR TIMAH MALAYSIA
(PERSTIMA) BERHAD (49971-D)
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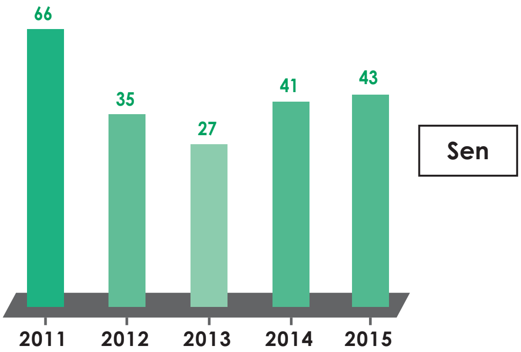
ANNUAL REPORT 2015
CONTENTS

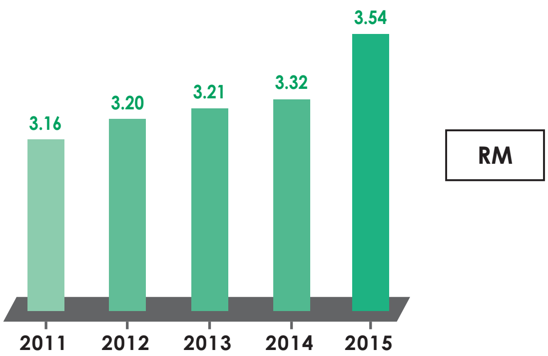
FIVE YEAR FINANCIAL HIGHLIGHTS

	2015	2014	2013	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	656,927	650,762	655,518	801,014	853,350
Profit before taxation	57,186	50,747	32,888	41,349	83,548
Profit after taxation	42,613	40,666	26,684	35,188	65,917
Dividend per share (sen) – net of tax	35.00	35.00	30.00	30.00	30.00
Share capital	99,305	99,305	99,305	99,305	99,305
Shareholders' fund	351,812	330,116	319,260	317,545	313,593
Total Tangible Asset	412,320	384,866	381,708	383,070	398,700
Total Borrowing	12,000	9,100	12,887	9,351	39,530
Earning per share (sen)	43	41	27	35	66
Net assets backing per share (RM)	3.54	3.32	3.21	3.20	3.16

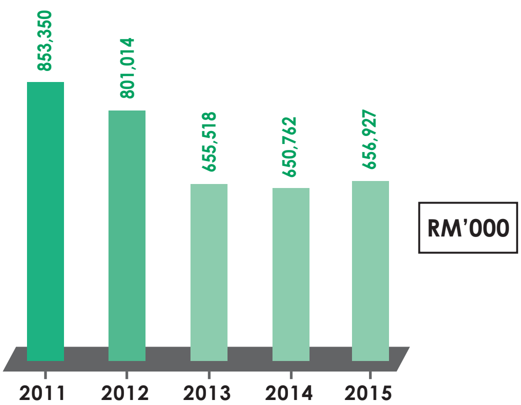
Earning per share



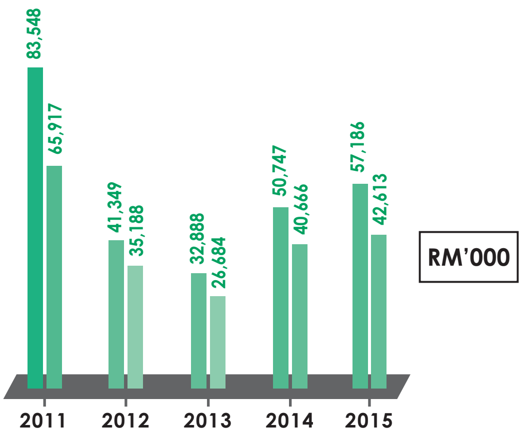
Net assets per share



Revenue



Profit before tax & after tax



CORPORATE INFORMATION

Executive Directors

Hiroshi Kume (Deputy Chairman)
Koichi Sawada (Managing Director)
Ab. Patah bin Mohd

Non-Independent Non-Executive Directors

Rin Nan Yoong
Ranko Kume (Alternate Director to Hiroshi Kume)

Independent Non-Executive Directors

Dato' Wee Hoe Soon @ Gooi Hoe Soon (Chairman)
Yusuf bin Jamil

Company Secretaries

Tai Yit Chan (MAICSA 7009143)
Chan Su San (MAICSA 6000622)

Registered Office

Suite 27-03, 27th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: (60-3) 21482793
Fax: (60-3) 21484552

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.
ANZ Bank (Vietnam) Ltd.
Hong Leong Bank Berhad

Stock Exchange Listing

Bursa Malaysia Securities Berhad (Main Market)

Audit Committee

Dato' Wee Hoe Soon @ Gooi Hoe Soon
(Chairman / Independent Non-Executive Director)

Rin Nan Yoong
(Non-Independent Non-Executive Director)

Yusuf bin Jamil
(Independent Non-Executive Director)

Remuneration Committee

Rin Nan Yoong
(Chairman / Non-Independent Non-Executive Director)

Dato' Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director)

Yusuf bin Jamil
(Independent Non-Executive Director)

Koichi Sawada
(Managing Director)

Nomination Committee

Yusuf bin Jamil
(Chairman / Independent Non-Executive Director)

Dato' Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director)

Rin Nan Yoong
(Non-Independent Non-Executive Director)

The profiles of the Directors of Perstima are as follows:

Y. Bhg. Dato' Wee Hoe Soon @ Gooi Hoe Soon

A Malaysian, aged 54 years, was first appointed as an Independent Non-Executive Director of the Company on 25 July 2013. He was appointed as the Chairman of the Audit Committee and a member of Remuneration and Nomination on 24 September 2013. He was subsequently appointed as Chairman of the Board of Directors on 16 October 2013. He has attended all four Board meetings held during the financial year.

Y. Bhg. Dato' Gooi is a member of Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has more than 30 years of experience in the fields of accounting and corporate finance and was Finance Director of several private and public listed companies.

He had been instrumental in the successful implementation of several corporate exercises, which included merger and acquisition and corporate debt restructuring exercises undertaken by public listed companies.

In 1999, Y. Bhg. Dato' Gooi was appointed to the Board of Avenue Capital Resources Berhad as a Non-Executive Director and subsequently appointed as Group Managing Director in 2001 and Deputy Chairman in 2004; holding this last post until 2006. He was also the CEO/Executive Director-Dealing of Avenue Securities Sdn Bhd.

In 2008, Y. Bhg. Dato Gooi was appointed to the Board of EON Bank Berhad and was subsequently appointed Chairman of the Board in 2009, a position that he held until May, 2012. In 2009, he was appointed to the Board of Amity Bond Berhad (formerly known as EON Capital Berhad) and in the same year assumed Chairmanship, a position that he continues to hold. He also sits on the board of directors of American International Assurance Berhad and Hup Seng Industries Berhad.

Y. Bhg. Dato' Gooi has no conflict of interest with the Company and has no family relationship with any director and/or major shareholder of the Company. He has not been convicted of any offence within the past ten years other than traffic offences, if any.

Hiroshi Kume

A Japanese with Malaysian permanent resident status, aged 70 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 three 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 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 the father of Ms Ranko Kume, an alternate Director.

He is deemed to have an interest in the shares of Perstima by virtue of his 49.99% shareholdings in Versalite Sdn. Bhd., a major shareholder of Perstima.

Koichi Sawada

A Japanese, aged 50 years, was first appointed to the Board of Directors of Perstima on 16 April 2013 as Deputy Managing Director and was re-designated as Managing Director on 25 June 2013. He graduated from the Faculty of Business Administration, Aoyama Gakuin University, Japan in 1990. He has attended all four Board meetings held during the financial year.

He joined Kawasho Corporation Tokyo, Japan in 1990 and held various senior positions particularly in the Plant & Machinery Group. In year 1994 to 2000, he was seconded to Kawasho Corporation Kuala Lumpur Branch as Manager of Plant & Machinery Department before he was transferred back to Kawasho Corporation Tokyo Japan as Assistant Manager of Steel Plant Export Group. Subsequently, in May 2003, he was seconded to Perstima (Vietnam) Co., Ltd. as Deputy General Manager of Corporate Affairs. In July 2007, he was with JFE Shoji Trade Corporation Tokyo, Head Office and was assigned as Manager of Cold Rolled & Coated Steel Section. He was promoted as General Manager of Sheet & Strip Overseas Department in December 2011. He has no conflict of interest with the Company, no family relationship with any 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 20,000 ordinary shares of RM1.00 each in the Company.

Ab. Patah bin Mohd

A Malaysian, aged 59 years, was first appointed to the Board of Directors of Perstima as an Executive Director on 31 October 1998 until to-date. He has attended all four Board meetings held during the financial year. He holds a degree in Engineering from University of Sheffield, England.

In 1980, he joined Felda Kilang as an Operation Engineer before joining Port Klang Authority in 1981 as an Engineer. He joined Perstima in 1981 as an Engineer and was appointed as General Manager in 1995. He has no conflict of interest with the Company, no family relationship with any other directors or major shareholders of the Company and has no convictions for offences within the past ten years other than for traffic offences, if any.

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

Yusuf bin Jamil

A Malaysian, aged 51 years, was first 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 as the Chairman of the Nomination Committee on 15 May 2008. He was also appointed as a member of both the Audit and Remuneration Committees of the Company on 24 September 2013. 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.

Rin Nan Yoong

A Singaporean, aged 49 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 was appointed as the Chairman of the Remuneration Committee on 24 September 2013. 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 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 the shares of 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 Perstima.

Ranko Kume

A Japanese with Malaysian permanent resident status, aged 42 years, was first appointed to the Board of Directors of Perstima as Alternate Director to Mr Hiroshi Kume on 26 February 2014.

She graduated from the School of Arts & Science at Cornell University, New York in 1995, followed by attendance at SUNY Buffalo Graduate School of Architecture in upstate New York and the Architecture Association School of Architecture in London. She has more than 15 years experience as a consultant and project manager in the field of architecture and interior design. Currently, she is attached with M Moser Associates, Kuala Lumpur, as an Associate Director, Head of Office. Her experience as a project manager has enabled her to be a versatile in strategic planning, mediation and cost control while delivering projects in a timely manner. She has no conflict of interest with the Company. She is the daughter of Mr Hiroshi Kume, Executive Deputy Chairman of Perstima and has no convictions for offences within the past ten years other than for traffic offences, if any.

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 ("Perstima" or "the Company"), and its subsidiaries ("the Group") for the financial year ended 31 March 2015.

Company Performance and Development

During the financial year under review, the Group recorded a turnover of RM656.9 million, almost at par to the previous financial year of RM650.8 million. The slightly higher turnover was mainly attributable to a more competitive selling price as a result of weakening of Ringgit Malaysia against US Dollar during the year under review. Sales volume decreased slightly by 1.8% as compared to the previous financial year.

The Group's profit before exceptional items and taxation of RM57.2 million for the financial year ended 31 March 2015 was higher compared with RM50.7 million in the previous financial year due to concentration of sales in the market sector with higher margin coupled with active involvement in improvement programme and cost efficiency measures.

Dividend

An interim single tier dividend of 15 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 March 2015 was paid on 5 December 2014. The Board has recommended a final single tier dividend of 20 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015.

Industry and Prospects

The Board expects the Group's operating environment to be challenging and competitive. The steel price is expected to remain soft and the supply of the various raw materials for steel making would be sufficient due to excess stock mainly from China. The Group is aggressively pursuing cost improvement programmes and enhancement of operations efficiency to ensure the competitiveness of the Group's products.

The Group has completed upgrading its shearing process that enhances speed and provides additional features in the Vietnam plant to serve our valuable customers better. The Group is continuously giving priority to customers' interest by investing in a state of the art Auto Inspection System to ensure supply of consistent and premium tinplate quality. The Group is also planning to convert the tinplating process to Methane Sulphonic Acid process at its Vietnam operation in the near future as part of its commitment for a cleaner environment. With these facilities improvements, the Group will be better equipped to meet the market requirement. Barring any unforeseen circumstances, the Board envisages that the Group can achieve a satisfactory performance in financial year ending 31 March 2016.

Environmental, Social and Governance

The Group consistently supports environment, social and welfare activities in the community it operates. The Group also continuously participates in charitable causes and blood donation campaigns to instill the culture of caring for the community. The Group also extends to undergraduates the opportunity to undergo industrial training in Perstima and provides the position of management trainee to the graduates in addition to promoting and cultivating healthy lifestyle amongst its employees and their family members.

Acknowledgement

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

DATO' WEE HOE SOON @ GOOI HOE SOON

Chairman
8 June 2015

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 and supportive of the application of the principles and recommendations of corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("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 observed with the Code including the reasons 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 Code.

A ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

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 coordinating 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 Dato' Wee Hoe Soon @ Gooi Hoe Soon 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. Koichi Sawada, 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 are responsible for the effective running of the business and implementation of the Board's policies and decisions.

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

Audit Committee

The Members of the Audit Committee during the financial year were:

Dato' Wee Hoe Soon @ Gooi Hoe Soon	-	Chairman, Independent Non-Executive Director
Rin Nan Yoong	-	Non-Independent Non-Executive Director
Yusuf bin Jamil	-	Independent Non-Executive Director

Remuneration Committee

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

Rin Nan Yoong	-	Chairman, Non-Independent Non-Executive Director
Dato' Wee Hoe Soon @ Gooi Hoe Soon	-	Independent Non-Executive Director
Yusuf bin Jamil	-	Independent Non-Executive Director
Koichi Sawada	-	Managing Director

Nomination Committee

The Nomination Committee consists entirely Independent Non-Executive Directors. The Members of the Committee during the financial year were:

Yusuf bin Jamil	-	Chairman, Independent Non-Executive Director
Rin Nan Yoong	-	Non-Independent Non-Executive Director
Dato' Wee Hoe Soon @ Gooi Hoe Soon	-	Independent Non-Executive Director

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.

Formalised Ethical Standards through Code of Ethics and Standard of Conduct

The Code of Ethics and Standard of Conduct ("the CoC"), which sets out the principles and standards of the business ethics and conduct of the Group, is applicable to all employees and Directors of the Group:

The areas of conduct under the CoC include the following :

a) Conflict of interest;
b) Confidential information;
c) Inside information and securities trading;
d) Protection of assets and funds;
e) Business record and controls;
f) Compliance to the law;
g) Personal gifting;
h) Health and safety;
i) Sexual harassment;
j) Outside interest;
k) Fair and courteous behaviour; and
l) Misconduct.

Strategies Promoting Sustainability

The Company is committed to sustainable development of safety, health and environment as well as community responsibilities which are integral to the way in which the Group conducts its business. The detail activities that demonstrate the Company's commitment to the environmental, social and governance appear in the Statement of Environmental, Social and Governance in this Annual Report.

Access to Information and Advice

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's approvals are also circulated prior to the Board meeting. These Board papers are issued at least ten (10) days in advance to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

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

Every Director also has unhindered access to the Senior Management and the advice and services of the Company Secretaries as well as to independent professional advisers including the external auditors. Our Board is regularly updated and advised by the Company Secretaries, who are qualified, experienced and competent on the new statutory requirements and the implications to the Company and Directors in discharging their duties and responsibilities.

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.

Board Charter

The Board Charter as a main source of reference and primary induction literature, provides insights to prospective Board member. The core areas of the Board Charter include the following:-

a) Board of Directors which consists of Board compositions, meeting and resources, chair, responsibilities and others,
b) Board Committees which consists of Board Committees Statement, compositions, meeting, chair, responsibilities and others
c) Corporate Governance

B STRENGTHEN COMPOSITION

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of 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 both Executive and Non-Executive Directors.

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.

The Nomination Committee was satisfied with the performance and effectiveness of the Board and Board Committees.

The Board evaluation comprises an assessment on mix of skills and experience of each Director, individual Directors' self and peer evaluation, Evaluation of Competency of Directors, an assessment of Character, Experience, Integrity, Competence and Time Commitment for individual directors and Chief Financial Officer, an evaluation in respect of the effectiveness of the Committees of the Board and an assessment of independence of Independent Directors.

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.

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 where 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.

Remuneration Policies

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 Executive Directors are remunerated based on his experience, responsibilities and performance. 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 Remuneration committee met once during the financial year ended 31 March 2015.

The aggregate remuneration of the Directors for the financial year ended 31 March 2015 were as follows: -

	RM'000			
	Fees	Emoluments	Benefit–in-kind	Total
Executive Directors	265	1,770	114	2,149
Non-Executive Directors	330	--	--	330

As at 31 March 2015, the number of Directors whose remuneration fall within the following bands are: -

Remuneration Bands (RM)	Executive Directors	Non-Executive Directors
0 - 50,000		
50,001 - 100,000		2
150,001 - 200,000		1
600,001 - 650,000	1	
650,001 - 700,000	1	
850,001 - 900,000	1	

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

C REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board assesses the independence of the Independent Non-Executive Directors annually based on the criteria developed by the Nomination Committee. The Board is satisfied with the level of independence demonstrated by all the independent Non-Executive Directors and their ability to act in the best interest of the Company.

Tenure of Independent Directors

In line with the recommendation of the Code, the tenure of an Independent director of the Company shall not exceed a cumulative term of nine (9) years. An Independent Director may continue to serve the Board subject to re-designation of the Independent Director as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought.

There is one (1) Independent Director who has served the Board for more than nine (9) years, namely En Yusuf bin Jamil.

The Board is satisfied with his performance and ability to act in the best interest of the Company. The Board wishes to retain En Yusuf Bin Jamil as an Independent Director and would be seeking the shareholders' approval at the Thirty-Seventh Annual General Meeting ("37th AGM").

Composition of the Board

The Board currently has six (6) Directors comprising three (3) Executive Directors and three (3) Non-Executive Directors of whom two (2) are Independent Directors. The Board has met with the requirements of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad("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 Board consists 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's value.

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

The Board would continuously seek for suitable candidates to be appointed as Directors of the Company.

There is no specific policy for nomination and/or appointment of candidates on the Board. Candidates would be evaluated based on competency, character, integrity, skills and experience without limiting to gender, age or ethnicity.

D FOSTER COMMITMENT

Time Commitment

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.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to them before beginning of every year. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Director of the Company.

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.

Board of Directors' Meeting

Details of each Director's attendance of the meetings held during the financial year ended 31 March 2015 are as follows: -

Name	Designation	No. of meetings attended
Dato' Wee Hoe Soon @ Gooi Hoe Soon	Chairman, Independent Non-Executive Director	4/4
Hiroshi Kume	Executive Deputy Chairman	3/4
Koichi Sawada	Managing Director	4/4
Ab. Patah bin Mohd	Executive Director	4/4
Yusuf bin Jamil	Independent Non-Executive Director	4/4
Rin Nan Yoong	Non-Independent Non-Executive Director	4/4
Ranko Kume	Alternate Director to Mr Hiroshi Kume	3/4

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.

The Board had set a policy for Directors to notify the Chairman of the Board before accepting any new directorships in other public listed Companies. This is to obtain the commitment from Directors to perform his duties and responsibilities in the Company.

Audit Committee Meetings

The individual member's attendance of the meetings held during the financial year ended 31 March 2015 were as follows:

Members	Designation	No. of meetings attended
Dato' Wee Hoe Soon @ Gooi Hoe Soon	Chairman, Independent Non-Executive Director	4/4
Rin Nan Yoong	Non-Independent Non-Executive Director	4/4
Yusuf bin Jamil	Independent Non-Executive Director	4/4

Directors' training

The Board through the Nomination Committee ensures that it recruits to the Board 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 2015, all the Directors visited the plant located in Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam which was organized by the Company to enable the Directors to observe and understand the process of tinplates and new shearing line operation. Individually, some of the Directors have also attended seminars and training programmes to further enhance their skills and knowledge.

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

i) Launch of Asian Leadership Index & Master Class
ii) Goods & Services Tax
iii) Risks from whereof
iv) Board strategic leadership in managing cybersecurity risk in financial institutions

E UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

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.

Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee also had obtained assurance from the external auditors confirmed that they have been independence throughout the audit engagement. Audit Committee is satisfied with the external auditors' performance and will recommend their re-appointment to the Board and seek shareholders approval during AGM.

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.

F RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risks

The Board recognises the need for an effective risk management practice and to maintain a sound system of internal control as part of good business management practice. The Board of directors is committed to implement an effective risk management framework which will allow management to identify, evaluate and manage risk with defined risk profiles.

Internal Audit Function

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. During the financial year, the audit Committee met twice with the internal auditors in the absence of Executive Board members and management staff.

G ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Company recognizes the importance of Corporate Disclosure with emphasis on transparent, accurate and on a timely basis as it is critical towards building and maintaining corporate credibility and shareholders' confidence.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website www.perstima.com.my incorporates an investor relation column which provides all relevant information on the Company and is accessible by the public. It consists of public announcements made to Bursa Securities, annual report, investors relation contacts of the Company.

H STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Encourage Shareholders Participation at General Meeting

The Annual General Meeting ("AGM") is an essential 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.

Notice of meeting together with a copy of the Annual Report of the Company are circulated to shareholders at least twenty-one (21) days before the date of the AGM.

Encourage Poll Voting

There will not be any substantive resolution to be put for the shareholders' approval at the forthcoming AGM. Nevertheless, the Company would conduct poll voting if demanded by shareholders at the AGM. The Chairman highlighted to the shareholders at the last AGM of their right to demand for a resolution to be voted by poll.

Effective Communication and Proactive Engagement

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

OTHER INFORMATION

Material Contracts

As at 31 March 2015, 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)
Feb and Mar 2015	JFE Shoji Trade Corporation	Supply of Raw Materials	28,841	Cash	18,127

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.	337,908
Purchase of raw materials, consumables & plant and equipment	JFE Materials and Machinery Corporation, a wholly owned subsidiary of JFE Shoji Trade Corporation.	7,572
Sale of tinplates	JFE Shoji Steel Malaysia Sdn Bhd, an associate company of JFE Shoji Trade Corporation.	1,109
Sale of tinplates	JFE Shoji Trade Australia Inc., a wholly owned subsidiary of JFE Shoji Trade Corporation.	992
Sale of tinplates	Kawarin Enterprise Pte. Ltd., an associate company of JFE Shoji Trade Corporation.	1,449

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 incurred during the year to the external auditors, Messrs KPMG and its affiliates by the Company and its subsidiaries for the financial year ended 31 March 2015 are as follows:-

	RM
i) KPMG Malaysia	4,000
ii) Local affiliates of KPMG Malaysia	20,500

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.

STATEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

"Life is 10% what happens to you and 90% how you react to it."

We see corporate social responsibility (CSR) as an essential component in our business activities and consistent with being a responsible organisation.

In line with our management's philosophy, Perstima aims to continue to be a company that is trusted by society, by committing to compliance with laws and regulations, transparent governance, respect for human rights, health and safety, social contribution and environmental preservation, on the basis of high corporate ethics.

Community and Social Development

As a responsible corporate body, Perstima endeavours to improve the living conditions of the community in which the Company operates, especially school going children. Our approach to Community Building is to engage and organise programmes to build the community's trust in the Company and at the same time to build relationships. To-date, the Community Building programmes that we have undertaken include:

2014/2015 Ongoing activities ▼

Providing practical training for undergraduate students from private and local universities including Polytechnic Ibrahim Sultan, University Malaysia Terengganu, University Technical Malacca, UITM RANAC0 and IKM.

April 2014 - March 2015

Organised monthly aerobic sessions at our premises followed by monthly briefings to all employees to promote healthy lifestyle and at the same time to disseminate information.

April, December 2014 & March 2015

Perstima rewarded employees' children who have achieved academic excellence for UPSR, PMR and SPM examinations.

June, September 2014 & February 2015

Perstima engaged parents and children through its religious talks.

April, June, September and December 2014 ▼

Engaged with Hospital Sultanah Aminah, Hospital Sultan Ismail, Puteri and Johore Specialist to have blood donation campaigns at our company's premises.

23 June 2014 ▼

Distributed dates during fasting month to our employees.

8 July 2014 ▲

Leadership course for our supervisors.

17 July 2014 ▲

Distributed murtabak to all our employees during the fasting month.

23 July 2014

Distributed hampers to orphans of late ex-employees during the fasting month.

30 July 2014 ▶

Hari Raya gathering with employees and their families, and orphans surrounding Taman Scientec in which games for children were organised.

24 July 2014 ▲

Gave a career talk at Polytechnic Ibrahim Sultan during their ICT and innovation day and participated as a panel jury.

24 July 2014

Organised zakat fitrah collection at our company's premises to assist our employees and neighbours to perform their duties.

27 - 28 September 2014 ▲

Bi-Annual Outing at Sibu Island resort participated by all employees. Fishing tournament and team building programmes were organised during the two days programme.

25 October 2014

Volleyball tournament as part of the healthy lifestyle programme.

28 – 31 January 2015 ▲

20 of our employees assisted flood victims in Kelantan through the participation in the Gotong Royong at Tanah Merah, Kelantan.

17 – 19 March 2015 ▲

Team Engagement Programme for Executives and Leadership Engagement Programme for Managers held at Hotel Selesa.

Environmental concerns

Perstima Berhad is committed to reducing our carbon foot-print by looking at our waste, emissions and environmental risks. Perstima Berhad's commitment to the environment is manifested through the strategic management of water, energy, waste management, natural resources and environment conservation.

We are also committed to ensure that the Government's environmental regulations are adhered to, by continuously doing our EMS Management Programmes i.e. recycle skid, tin ratio, LED lamp replacement programme for energy saving, usage of the Angle Iron, Water Saving improvement programme and Hydrated Lime Consumption.

We are also committed to decrease production of Metal Hydroxide sludge (SW 204) by increasing dryness of Sludge WWTP by optimizing sludge dryer operation, increasing Filter Press Pressure and installing tumble sludge inside the sludge dryer.

We have continued to run the COGEN (Combine Generator) since 2011 and MSA (Methane Sulphonic Acid) since 2012 which are environmental-friendly.

We have also continued to monitor our actual consumption of gas to ensure there is no wastage since GAS Malaysia had imposed new regulations.

Quality Safety & Health

Perstima Berhad is fully committed to provide quality products and services and ensure the timely delivery of these products and services to our customers. We first achieved our internationally recognised ISO 9001 Quality Management System certification back in 1997 – a testament to our uncompromising commitment to quality.

We are also dedicated to provide a safe and healthy work environment to our employees and those under our care, while maintaining an environmentally responsible approach to our businesses. With this in mind, we expanded and improved our Management System further and as a result, we achieved the ISO 14001 Environmental Management System.

With an aim to streamline the requirements and operations of our Management Systems, we decided to integrate these two Management Systems into Integrated Management System (IMS).

We strive to continually review and improve our Integrated Management Systems to support the growth direction of the Company.

The Quality and Environment Policy coupled with Safety Policy is one of our core values document stipulating our commitment to uphold quality, safety & health and environmental standards in all our operations, while ensuring that cost effective and reliable products or services are delivered to our customers. With this in mind, our policy statement requires:-

- **Continual improvement in process;**
- **Timely response and delivery;**
- **Getting customers' feedback; and**
- **Safety practices.**

AUDIT COMMITTEE MEMBERS

Dato' Wee Hoe Soon @ Gooi Hoe Soon	-	Chairman, Independent Non-Executive Director
Rin Nan Yoong	-	Non-Independent Non-Executive Director
Yusuf bin Jamil	-	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:

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

b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and

c) Determine the adequacy of the Group's administrative, operating and accounting controls.

2. COMPOSITION

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:

a) The audit committee must composed of no fewer than 3 members;

b) All members of the audit committee should be non-executive directors;

c) A majority of the audit committee must be independent directors; and

d) All members of the audit committee should be financially literate and at least one member of the audit committee: -

   i) Must be a member of the Malaysian Institute of Accountants; or

   ii) If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

      - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or

      - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

   iii) he must be a person who fulfills the requirements as may be prescribed or approved by Bursa Malaysia Securities Berhad and / or such other relevant authorities from time to time.

e) 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.

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 auditors 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; and

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.

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 2015 included the following:-

a) Reviewed the external auditors' scope of work and audit plan for the financial 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.

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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and its Practice Notes, the Malaysian Code on Corporate Governance 2012 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 ascertain 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 the 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 twice during the financial year without presence of the management or executive Board members.

The attendance for the audit committee members at the meetings held during the financial year ended 31 March 2015 were as follows:

Members	Designation	No. of meetings attended
Dato' Wee Hoe Soon @ Gooi Hoe Soon	Chairman, Independent Non-Executive Director	4/4
Rin Nan Yoong	Non-Independent Non-Executive Director	4/4
Yusuf bin Jamil	Independent Non-Executive Director	4/4

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 independent professional firm 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 2015, 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 Revised Audit Plan as approved by the Audit Committee covering the area of Human Resource 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 were also 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 function to an independent professional firm during the financial year amounted to approximately RM18,000.00.

STATEMENT ON RISK MANAGEMENT AND 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.

The Board has received assurance from the Managing Director and the Deputy General Manager that the Group's risks management and internal control system is operating adequately and effectively in all material aspect for the financial year ended 31 March 2015 and up to the date of approval of this statement, based on the risk management and internal control system of the Group.

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

8 June 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

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	42,613	39,782

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 single tier dividend of 20.0 sen per ordinary share totalling RM19,860,904 in respect of the financial year ended 31 March 2014 on 18 August 2014; and

ii) an interim single tier dividend of 15.0 sen per ordinary share totalling RM14,895,708 in respect of the financial year ended 31 March 2015 on 5 December 2014.

The Directors proposed a final single tier dividend of 20.0 sen per ordinary share totalling RM19,861,000 for the financial year ended 31 March 2015 subject to the approval of the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect the proposed final dividend, which will be accounted for in the statement of changes in equity as an appropriation of retained earnings in the financial year ending 31 March 2016.

Directors of the Company

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

Directors	**Alternate**
Dato' Wee Hoe Soon @ Gooi Hoe Soon	
Mr. Hiroshi Kume	Ms. Ranko Kume
Mr. Koichi Sawada	
Mr. Rin Nan Yoong	
En. Ab. Patah bin Mohd	
En. Yusuf bin Jamil	

Directors' interests in shares

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 financial 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 2014**	**Bought**	**Sold**	**At 31 March 2015**
Company					
Mr. Hiroshi Kume	Deemed	32,617,544	--	--	32,617,544
Mr. Koichi Sawada	Direct	20,000	--	--	20,000
Mr. Rin Nan Yoong	Direct	44,000	--	--	44,000
	Deemed	32,617,544	--	--	32,617,544
En. Ab. Patah bin Mohd	Direct	100	--	--	100

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 2015 had any interest in the shares of the Company and of its related corporations during the financial year.

Remuneration Committee membership

The members of the Remuneration Committee are as follows:

Mr. Rin Nan Yoong
Mr. Koichi Sawada
En. Yusuf bin Jamil
Dato' Wee Hoe Soon @ Gooi Hoe Soon

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

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

Options granted over unissued shares

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

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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 financial performance of the Group and of the Company for the financial year ended 31 March 2015 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 **Koichi Sawada**

Johor Bahru
8 June 2015

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 30 to 63 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 31 March 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 25 on page 64 to the financial statements has been compiled in accordance with Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Hiroshi Kume

Koichi Sawada
Johor Bahru
8 June 2015

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 30 to 64 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 above named in Johor Bahru in the State of Johor on 8 June 2015.

Tan Siew Chu

Before me:
Norani Bt. Hj Khalid
Commissioner For Oaths
No. J-140

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 statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 63.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) 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.

(b) We have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.

(c) 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.

(d) 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 Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 25 on page 64 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Tan Teck Eng
Approval Number: 2986/05/16 (J)
Chartered Accountant

Johor Bahru
8 June 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2015

		Group		Company	
	Note	2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	3	99,879	100,697	51,530	59,115
Prepaid lease payments	4	4,917	3,969	--	--
Investments in subsidiaries	5	--	--	35,400	35,400
Deferred tax assets	6	91	87	--	--
Total non-current assets		104,887	104,753	86,930	94,515
Inventories	7	105,690	121,548	64,259	74,812
Trade and other receivables	8	74,857	66,375	58,771	44,336
Due from subsidiaries	9	--	--	18,511	18,547
Tax recoverable		17	--	--	--
Cash and cash equivalents	10	126,869	92,190	68,125	57,641
Total current assets		307,433	280,113	209,666	195,336
Total assets		412,320	384,866	296,596	289,851
Equity					
Share capital		99,305	99,305	99,305	99,305
Reserves		252,507	230,811	153,018	147,993
Equity attributable to owners of the Company/Total equity	11	351,812	330,116	252,323	247,298
Liabilities					
Deferred tax liabilities/ **Total non-current liabilities**	6	5,230	4,437	5,230	4,437
Trade and other payables	12	39,827	39,467	25,253	27,923
Due to subsidiaries	9	--	--	2,196	986
Loans and borrowings	13	12,000	9,100	8,658	7,469
Taxation		3,451	1,746	2,936	1,738
Total current liabilities		55,278	50,313	39,043	38,116
Total liabilities		60,508	54,750	44,273	42,553
Total equity and liabilities		412,320	384,866	296,596	289,851

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue					
Goods sold		656,927	650,762	443,288	428,692
Cost of goods sold		(586,612)	(589,054)	(391,519)	(389,215)
Gross profit		70,315	61,708	51,769	39,477
Other income		3,000	3,089	9,868	8,865
Distribution expenses		(7,582)	(7,506)	(4,974)	(4,886)
Administrative expenses		(10,232)	(9,230)	(7,478)	(7,401)
Other expenses		(816)	(198)	--	--
Results from operating activities		54,685	47,863	49,185	36,055
Finance income		2,810	3,179	2,087	2,105
Finance costs		(309)	(295)	(216)	(132)
Net finance income		2,501	2,884	1,871	1,973
Profit before tax	14	57,186	50,747	51,056	38,028
Tax expense	15	(14,573)	(10,081)	(11,274)	(7,757)
Profit for the year		42,613	40,666	39,782	30,271
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		13,840	4,822	--	--
Total comprehensive income for the year		56,453	45,488	39,782	30,271
Basic and diluted earnings per ordinary share (sen)	16	42.9	41.0		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Note	Attributable to owners of the Company			
		Non - distributable		Distributable	
		Share capital RM'000	Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group					
At 1 April 2013		99,305	(39,185)	259,140	319,260
Foreign currency translation differences/ **Total other comprehensive income for the year**		--	4,822	--	4,822
Profit for the year		--	--	40,666	40,666
Total comprehensive income for the year		--	4,822	40,666	45,488
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company/ **Total transactions with owners of the Company**	17	--	--	(34,632)	(34,632)
At 31 March 2014		99,305	(34,363)	265,174	330,116
Foreign currency translation differences/ **Total other comprehensive income for the year**		--	13,840	--	13,840
Profit for the year		--	--	42,613	42,613
Total comprehensive income for the year		--	13,840	42,613	56,453
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company/ **Total transactions with owners of the Company**	17	--	--	(34,757)	(34,757)
At 31 March 2015		99,305	(20,523)	273,030	351,812

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Share capital RM'000	Attributable to owners of the Company Distributable Retained earnings RM'000	Total equity RM'000
Company				
At 1 April 2013		99,305	152,354	251,659
Profit and total comprehensive income for the year		--	30,271	30,271
Contributions by and distributions to owner of the Company				
Dividend to owner of the Company/ **Total transactions with owners of the Company**	17	--	(34,632)	(34,632)
At 31 March 2014		99,305	147,993	247,298
Profit and total comprehensive income for the year		--	39,782	39,782
Contributions by and distributions to owner of the Company				
Dividend to owner of the Company/ **Total transactions with owners of the Company**	17	--	(34,757)	(34,757)
At 31 March 2015		99,305	153,018	252,323

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

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash flows from operating activities					
Profit before tax		57,186	50,747	51,056	38,028
Adjustments for:-					
Depreciation and amortisation		20,584	18,368	10,381	10,018
Finance costs		309	295	216	132
Unrealised loss on foreign exchange		32	46	--	--
(Reversal)/Allowance of inventories written down		(2,577)	3,262	(2,744)	2,818
Dividend income from a subsidiary		--	--	(6,373)	(6,114)
Finance income		(2,810)	(3,179)	(2,087)	(2,105)
Gain on disposal of property, plant and equipment		--	(116)	--	(116)
Reversal of impairment loss on trade receivables		(213)	(928)	(213)	(54)
Operating profit before changes in working capital		72,511	68,495	50,236	42,607
Changes in inventories		18,435	(22,081)	13,297	(17,598)
Changes in trade and other receivables		(8,301)	(11,630)	(14,222)	(6,320)
Changes in due from/(to) subsidiaries		--	--	1,246	1,326
Changes in trade and other payables		625	(2,414)	(2,405)	2,818
Cash generated from operations		83,270	32,370	48,152	22,833
Tax paid		(12,096)	(8,784)	(9,283)	(6,818)
Net cash from operating activities		71,174	23,586	38,869	16,015
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	18	(15,840)	(8,265)	(3,061)	(8,026)
- prepaid lease payments		(911)	(239)	--	--
Proceeds from disposal of property, plant and equipment		--	116	--	116
Interest received		2,810	3,179	2,087	2,105
Net cash used in investing activities		(13,941)	(5,209)	(974)	(5,805)

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

STATEMENTS OF CASH FLOW (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Net short term borrowings	4,408	(6,163)	2,697	1,744
Dividend received from a subsidiary	--	--	6,373	6,114
Dividends paid to owners of the Company	(34,757)	(34,632)	(34,757)	(34,632)
Interest paid	(309)	(295)	(216)	(132)
Net cash used in financing activities	(30,658)	(41,090)	(25,903)	(26,906)
Exchange differences on translation of the financial statements of foreign operations	5,372	2,839	--	--
Net increase/ (decrease) in cash and cash equivalents	31,947	(19,874)	11,992	(16,696)
Cash and cash equivalents at 1 April	89,814	109,341	55,265	71,961
Foreign exchange difference on opening balances	4,240	347	--	--
Cash and cash equivalents at 31 March	126,001	89,814	67,257	55,265

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

Deposits with licensed banks	115,306	82,311	62,284	51,406
Cash and bank balances	11,563	9,879	5,841	6,235
Bank overdrafts	(868)	(2,376)	(868)	(2,376)
	126,001	89,814	67,257	55,265

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

Perusahaan Sadur Timah Malaysia (Perstima) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and 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 27 - 03, 27th Floor
Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

The consolidated financial statements of the Company as at and for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2015 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.

These financial statements were authorised for issue by the Board of Directors on 8 June 2015.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)

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

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and the Company upon their first adoption except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs 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 estimates are 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.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(v) 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.

2. Significant accounting policies (cont'd)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value 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 profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

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

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

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss (cont'd)

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(h)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

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

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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. 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:

Leasehold land	60 - 99 years
Plant and machinery	5 - 15 years
Furniture, fittings and equipment and motor vehicles	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

2. Significant accounting policies (cont'd)

(e) Leased assets (cont'd)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in 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.

(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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorized as fair value through profit or loss and investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

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

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 cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

2. Significant accounting policies (cont'd)

(h) Impairment (cont'd)

(ii) Other 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 of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the financial year in which the reversals are recognised.

(i) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or 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 end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(j) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities 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 persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

2. Significant accounting policies (cont'd)

(k) Borrowings costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(l) Employee benefits

(i) 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 liability is recognised 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.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(m) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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, adjusted for own shares held.

(n) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(o) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in -progress RM'000	Total RM'000
Group					
At cost					
At 1 April 2013	48,347	315,586	18,062	3,067	385,062
Additions	165	4,572	1,509	1,065	7,311
Disposals/Written off	--	--	(563)	--	(563)
Transfers	223	905	1,478	(2,606)	--
Reclassification	--	(95)	(248)	--	(343)
Adjustment	--	(1,229)	--	(202)	(1,431)
Exchange differences	461	3,272	62	2	3,797
At 31 March 2014/1 April 2014	49,196	323,011	20,300	1,326	393,833
Additions	384	1,325	902	13,149	15,760
Disposals/Written off	--	(154)	--	--	(154)
Transfers	--	13,726	508	(14,234)	--
Adjustment	--	--	--	(185)	(185)
Exchange differences	1,167	9,568	139	4	10,878
At 31 March 2015	50,747	347,476	21,849	60	420,132
Accumulated depreciation					
At 1 April 2013	28,708	228,002	15,939	--	272,649
Depreciation charge	1,370	15,352	1,245	--	17,967
Disposals/Written off	--	--	(563)	--	(563)
Reclassification	--	(84)	(226)	--	(310)
Exchange differences	174	2,121	50	--	2,345
At 31 March 2014/1 April 2014	30,252	245,391	16,445	--	292,088
Depreciation charge	1,392	17,377	1,353	--	20,122
Disposals/Written off	--	(154)	--	--	(154)
Exchange differences	513	6,507	129	--	7,149
At 31 March 2015	32,157	269,121	17,927	--	319,205
Accumulated impairment loss					
At 1 April 2013/31 March 2014	1,048	--	--	--	1,048
At 1 April 2014/31 March 2015	1,048	--	--	--	1,048
Carrying amounts					
At 1 April 2013	18,591	87,584	2,123	3,067	111,365
At 31 March 2014/1 April 2014	17,896	77,620	3,855	1,326	100,697
At 31 March 2015	17,542	78,355	3,922	60	99,879

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

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in -progress RM'000	Total RM'000
Company					
At cost					
At 1 April 2013	38,643	201,381	16,689	3,067	259,780
Additions	165	4,425	1,497	985	7,072
Transfer	223	905	1,478	(2,606)	--
Disposals	--	--	(563)	--	(563)
Adjustment	--	(1,062)	--	(202)	(1,264)
At 31 March 2014/1 April 2014	39,031	205,649	19,101	1,244	265,025
Additions	384	1,656	869	72	2,981
Transfer	--	586	508	(1,094)	--
Adjustment	--	--	--	(185)	(185)
At 31 March 2015	39,415	207,891	20,478	37	267,821
Accumulated depreciation					
At 1 April 2013	25,201	155,320	14,886	--	195,407
Depreciation charge	944	7,980	1,094	--	10,018
Disposals	--	--	(563)	--	(563)
At 31 March 2014/1 April 2014	26,145	163,300	15,417	--	204,862
Depreciation charge	950	8,194	1,237	--	10,381
At 31 March 2015	27,095	171,494	16,654	--	215,243
Accumulated impairment loss					
At 1 April 2013/31 March 2014	1,048	--	--	--	1,048
At 1 April 2014/31 March 2015	1,048	--	--	--	1,048
Carrying amounts					
At 1 April 2013	12,394	46,061	1,803	3,067	63,325
At 31 March 2014/1 April 2014	11,838	42,349	3,684	1,244	59,115
At 31 March 2015	11,272	36,397	3,824	37	51,530

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Carrying amounts of land and buildings				
At cost				
Long term leasehold land	322	327	322	327
Short term leasehold land	5,453	5,652	5,453	5,652
Buildings	11,767	11,917	5,497	5,859
	17,542	17,896	11,272	11,838

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

Impairment loss

The impairment loss 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 RM145,667,000 (2014: RM141,342,000) and RM140,474,000 (2014: RM138,184,000) respectively.

4. Prepaid lease payments

	Leasehold land unexpired period less than 50 years RM'000
Group	
At cost	
At 1 April 2013	5,514
Additions	239
Reclassification	34
Exchange differences	267
At 31 March 2014/1 April 2014	6,054
Additions	911
Exchange differences	782
At 31 March 2015	7,747
Accumulated amortisation	
At 1 April 2013	1,601
Amortisation charge	401
Exchange differences	83
At 31 March 2014/1 April 2014	2,085
Amortisation charge	462
Exchange differences	283
At 31 March 2015	2,830
Carrying amounts	
At 1 April 2013	3,913
At 31 March 2014/1 April 2014	3,969
At 31 March 2015	4,917

5. Investments in subsidiaries

	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares, at cost	35,400	35,400

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership interest and voting interest 2015 %	Effective ownership interest and voting interest 2014 %
Perstima (Vietnam) Co., Ltd.*	Manufacturing and sale of tinplates and tin free steel	Vietnam	100	100
Perstima Utility Sdn. Bhd.	Generating, transmitting and sales of power and other utilities	Malaysia	100	100
Perstima Tin Plate Sdn. Bhd.	Dormant	Malaysia	100	100

* Audited by a member firm of KPMG International.

6. Deferred tax assets/(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 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Deferred tax assets	91	87	--	--
Deferred tax liabilities	(5,230)	(4,437)	(5,230)	(4,437)
	(5,139)	(4,350)	(5,230)	(4,437)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Property, plant and equipment				
- capital allowances	(5,955)	(6,299)	(5,955)	(6,299)
- revaluation	(1,137)	(1,206)	(1,137)	(1,206)
Allowances and other accruals	1,943	3,150	1,862	3,068
Unrealised loss on foreign exchange	10	5	--	--
	(5,139)	(4,350)	(5,230)	(4,437)

6. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the year are as follows:

Group	At 1 April 2013 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 March 2014 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 March 2015 RM'000
Property, plant and equipment					
- capital allowances	7,163	(864)	6,299	(344)	5,955
- revaluation	1,328	(122)	1,206	(69)	1,137
Allowance and other accruals	(3,690)	540	(3,150)	1,207	(1,943)
Unrealised (loss)/gain on foreign exchange	(6)	1	(5)	(5)	(10)
	4,795	(445)	4,350	789	5,139
Company					
Property, plant and equipment					
- capital allowances	7,163	(864)	6,299	(344)	5,955
- revaluation	1,328	(122)	1,206	(69)	1,137
Allowance and other accruals	(3,244)	176	(3,068)	1,206	(1,862)
	5,247	(810)	4,437	793	5,230

7. Inventories

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Finished goods	28,107	41,582	15,689	25,703
Work-in-progress	7,315	4,366	7,268	3,535
Raw materials	55,272	60,798	32,984	36,750
Consumables	14,996	14,802	8,318	8,824
	105,690	121,548	64,259	74,812
Recognised in profit or loss:				
- Inventories recognised as cost of goods sold	586,612	589,054	391,519	389,215

8. Trade and other receivables

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Trade receivables	71,650	62,349	56,614	41,956
Other receivables, deposits and prepayments	3,207	4,026	2,157	2,380
	74,857	66,375	58,771	44,336

9. Due from/(to) subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
Due from subsidiaries - non-trade	18,511	18,547
Due to subsidiaries		
- trade	(780)	(589)
- non-trade	(1,416)	(397)
	(2,196)	(986)

The amounts due from subsidiaries are non-trade in nature. Included in the amounts due from subsidiaries are:

a) an amount of RM13,528,117 (2014: RM15,031,441) that is repayable on demand, with a fixed interest charged at 4% per annum commencing from 1 October 2011; and

b) the remaining balance of RM4,982,475 (2014: RM3,515,793) that is repayable on demand and interest free.

All the amounts due to subsidiaries are unsecured and interest free.

10. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	11,563	9,879	5,841	6,235
Deposits with licensed banks	115,306	82,311	62,284	51,406
	126,869	92,190	68,125	57,641

11. Capital and reserves

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2015	2014	2015	2014
	RM'000	RM'000	'000	'000
Ordinary shares of RM1.00 each:				
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid	99,305	99,305	99,305	99,305

11. Capital and reserves (cont'd)

Reserves

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Translation reserve	(20,523)	(34,363)	--	--
Distributable				
Retained earnings	273,030	265,174	153,018	147,993
	252,507	230,811	153,018	147,993

12. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables	20,806	20,011	11,115	11,772
Other payables and accrued expenses	19,021	19,456	14,138	16,151
	39,827	39,467	25,253	27,923

Included in other payables and accrued expenses are:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Other payables	777	673	719	617
Accrued expenses for sales rebates	2,208	4,749	2,208	4,749
Payroll related accruals	4,458	3,874	4,130	3,863
Other accrued expenses	11,578	10,160	7,081	6,922
	19,021	19,456	14,138	16,151

Included in trade payables of the Group and of the Company is an amount of RM13,966,000 (2014: RM15,681,000) and RM7,290,000 (2014: RM8,807,000) respectively due to substantial shareholders of the Company arising from purchases of raw materials.

13. Loans and borrowings

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Trust receipts	3,342	1,631	--	--
Bank overdraft	868	2,376	868	2,376
Onshore foreign currency loan	7,790	5,093	7,790	5,093
	12,000	9,100	8,658	7,469

14. Profit Before tax

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting)				
Audit fees				
- Company's auditors	92	84	88	80
- Overseas affiliate of KPMG Malaysia	46	44	--	--
Non-audit fees				
- Company's auditors	4	5	4	3
- Local affiliate of KPMG Malaysia	21	19	14	12
Depreciation and amortisation	20,584	18,368	10,381	10,018
Personnel expenses (including key management personnel):				
- Wages, salaries and others	17,854	16,782	12,947	12,519
- Contributions to state plans	1,979	1,918	1,946	1,875
Rental of premises and equipment	308	310	308	310
(Reversal)/Allowance of inventories written down	(2,577)	3,262	(2,744)	2,818
Loss/(Gain) on foreign exchange:				
- Unrealised	32	46	--	--
- Realised	(209)	(206)	(281)	(300)
Reversal of impairment loss on trade receivables	(213)	(928)	(213)	(54)
Dividend income from a subsidiary	--	--	(6,373)	(6,114)
Gain on disposal of property, plant and equipment	--	(116)	--	(116)
Hostel rental income	(33)	(32)	(33)	(32)

Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Directors				
- Fees	595	647	595	647
- Remuneration	1,770	1,829	1,770	1,829
Total short-term employee benefits	2,365	2,476	2,365	2,476
Other key management personnel:				
- Short term employee benefits	104	107	--	--
	2,469	2,583	2,365	2,476

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The estimated monetary value of Directors' benefit-in-kind for the Group/Company is RM114,000 (2014: RM118,000).

15. Tax expense

Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax expense				
- Current year	13,151	10,643	10,668	8,690
- Prior year	633	(117)	(187)	(123)
	13,784	10,526	10,481	8,567
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	550	(387)	544	(768)
- Prior year	239	(58)	249	(42)
	789	(445)	793	(810)
	14,573	10,081	11,274	7,757

	RM'000	**RM'000**	**RM'000**	**RM'000**
Reconciliation of tax expense				
Profit before tax	57,186	50,747	51,056	38,028
Income tax calculated using Malaysian tax rate of 25%	14,297	12,687	12,764	9,507
Effect of different tax rates in foreign jurisdictions	(1,280)	(1,760)	--	--
Non-deductible expenses	306	261	93	171
Non-business income	--	--	(1,593)	(1,529)
Tax incentives	(132)	(1,262)	(28)	(31)
Effect of changes in tax rate*	(25)	(186)	(25)	(186)
Effect of unrecognised deferred tax asset	534	531	--	--
Others	1	(15)	1	(10)
	13,701	10,256	11,212	7,922
Under/(Over) provided in prior years	872	(175)	62	(165)
Tax expense	14,573	10,081	11,274	7,757

* The Malaysian Budget 2014 announced the reduction of corporate tax rate to 24% with effect from year of assessment 2016. Consequently, deferred tax assets and liabilities which are expected to reverse in 2016 and beyond are measured using the tax rate of 24%.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2015	**2014**
	RM'000	**RM'000**
Unabsorbed capital allowances	(7,014)	(4,794)

The unabsorbed capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which a subsidiary can utilise the benefits there from.

16. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2015 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Profit attributable to ordinary shareholders	42,613	40,666

	Group	
	2015 Numbers of share '000	**2014 Numbers of share '000**
Issued ordinary shares at 1 April/ Weighted average number of ordinary shares at 31 March	99,305	99,305
Basic earnings per ordinary share	42.9	41.0

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 by the Group/Company are:

	Sen per share	**Total amount RM'000**	**Date of payment**
2015			
2015 - Interim, single tier	15.00	14,896	5 December 2014
2014 - Final, single tier	20.00	19,861	18 August 2014
Total amount		34,757	
2014			
2014 - Interim, net of tax	15.00	14,895	5 December 2013
2013 - Final, net of tax	19.88	19,737	15 August 2013
Total amount		34,632	

After the reporting period the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	**Total amount RM'000**
2015 - Final, single tier	20 .0	19,861

18. Acquisition of property, plant and equipment

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current year's additions	15,760	7,311	2,981	7,072
Less : Amount under credit term				
Opening balance	195	1,149	195	1,149
Closing balance	(115)	(195)	(115)	(195)
	80	954	80	954
	15,840	8,265	3,061	8,026

19. Capital commitments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Plant and equipment				
Contracted for but not provided for	131	14,070	131	3,690

20. Annual management fee commitment

Arising from 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	
	2015 RM'000	2014 RM'000
Less than one year	135	118
Between one and five years	539	473
More than five years	3,639	3,431
	4,313	4,022

21. Operating segments

The Group has two reportable segments, distinguished by geographical locations, in Malaysia and Vietnam, which form the main basis of how the Group management and the Board of Directors review the Group's operations on a quarterly basis.

Performance is measured based on segment profit before tax as management believes that such information is the most relevant in evaluating the results of the operation.

	Malaysia		Vietnam		Consolidation adjustments		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Segment profit/(loss)	42,533	29,863	15,432	20,058	(779)	826	57,186	50,747
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	443,288	429,049	213,639	221,713	--	--	656,927	650,762
(Reversal)/Allowance of inventories written down	(2,744)	2,818	167	444	--	--	(2,577)	3,262
Depreciation and amortisation	12,308	11,961	8,414	7,233	(138)	(826)	20,584	18,368
Finance costs	771	733	92	163	(554)	(601)	309	295
Finance income	(2,146)	(2,167)	(1,218)	(1,613)	554	601	(2,810)	(3,179)

Geographical location of non-current asset

	2015	2014
Malaysia	63,781	73,293
Vietnam	41,106	31,460
	104,887	104,753

Geographical location of revenue

	2015	2014
Malaysia	372,997	367,482
Vietnam	173,284	180,945
Others	110,646	102,335
	656,927	650,762

Major customers

Revenue from three customers of the Group represents approximately RM245,691,000 (2014: RM264,640,000) of the Group's total revenues.

22. Financial instruments

22.1 Categories of financial instruments

All financial assets and liabilities are categorised as loans and receivables and other liabilities in accordance with the Group's accounting policies as disclosed in Note 2(c).

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net gains/(losses) on:				
Loan and receivables	3,200	4,268	2,581	2,459
Financial liabilities measured at amortised cost	(308)	(295)	(216)	(132)
	2,892	3,973	2,365	2,327

22.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22. Financial instruments (cont'd)

22.4 Credit risk

Credit risk is the risk of a financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and Company's exposure to credit risk arises principally from its receivables from third party customers and its subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and Company. The Group and Company uses ageing analysis to monitor the credit quality of the receivables. Depending on the nature of the industries, any receivables having significant balances past due more than certain number of days, which are deemed to have higher credit risk, are monitored individually.

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2015			
Not past due	71,534	--	71,534
Past due 0 – 30 days	168	(52)	116
Past due 31 – 60 days	1	(1)	--
Past due 61 – 90 days	--	--	--
Past due more than 90 days	527	(527)	--
	72,230	(580)	71,650
2014			
Not past due	55,556	--	55,556
Past due 0 – 30 days	6,946	(196)	6,750
Past due 31 – 60 days	103	(70)	33
Past due 61 – 90 days	7	--	7
Past due more than 90 days	530	(527)	3
	63,142	(793)	62,349
Company			
2015			
Not past due	56,502	--	56,502
Past due 0 – 30 days	164	(52)	112
Past due 31 – 60 days	1	(1)	--
Past due 61 – 90 days	--	--	--
Past due more than 90 days	527	(527)	--
	57,194	(580)	56,614
2014			
Not past due	38,447	--	38,447
Past due 0 – 30 days	3,705	(196)	3,509
Past due 31 – 60 days	70	(70)	--
Past due 61 – 90 days	--	--	--
Past due more than 90 days	527	(527)	--
	42,749	(793)	41,956

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Receivables (cont'd)

Movement in the allowance for impairment losses of receivables during the financial year were:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 April	793	1,696	793	847
Impairment loss reversed	(213)	(928)	(213)	(54)
Effect of exchange difference	--	25	--	--
At 31 March	580	793	580	793

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group and Company is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

In determining whether allowance is required to be made, the Group and Company considers financial background of the customers, past transactions and other specific reasons causing these balances to be past due more than 90 days.

Balances due from subsidiaries

Risk management objectives, policies and processes for managing the risk

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Company does not specifically monitor the ageing of the amount due from subsidiaries. The Company monitors instead their individual financial position in assessing its credit risk.

Impairment losses

As at the end of the reporting period, there was no indication that the amounts due from subsidiaries are not recoverable.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM3,342,000 (2014: RM1,631,000) representing the outstanding banking facilities of the subsidiary as at end of the reporting period.

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Financial guarantees (cont'd)

Exposure to credit risk, credit quality and collateral (cont'd)

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

22.5 Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group's and Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
2015				
Non-derivative financial liabilities				
Unsecured trust receipts	3,342	2.30	3,349	3,349
Unsecured onshore foreign currency loan	7,790	1.75	7,790	7,790
Unsecured bank overdraft	868	8.10	868	868
Trade and other payables	39,827	--	39,827	39,827
	51,827		51,834	51,834
2014				
Non-derivative financial liabilities				
Unsecured trust receipts	1,631	2.10	1,642	1,642
Unsecured onshore foreign currency loan	5,093	1.78	5,093	5,093
Unsecured bank overdraft	2,376	8.10	2,376	2,376
Trade and other payables	39,467	--	39,467	39,467
	48,567		48,578	48,578

22. Financial instruments (cont'd)

22.5 Liquidity risk (cont'd)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
Company				
2015				
Non-derivative financial liabilities				
Unsecured onshore foreign currency loan	7,790	1.75	7,790	7,790
Unsecured bank overdraft	868	8.10	868	868
Trade and other payables	25,253	--	25,253	25,253
Due to subsidiaries	2,196	--	2,196	2,196
Financial guarantee*	--	--	3,342	3,342
	36,107		39,449	39,449
2014				
Non-derivative financial liabilities				
Unsecured onshore foreign currency loan	5,093	1.67 - 1.85	5,093	5,093
Unsecured bank overdraft	2,376	8.10	2,376	2,376
Trade and other payables	27,923	--	27,923	27,923
Due to subsidiaries	986	--	986	986
Financial guarantee*	--	--	1,631	1,631
	36,378		38,009	38,009

*The amount represents the outstanding banking facilities of its subsidiary as at end of the reporting period.

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and Company's financial position or cash flows.

Currency risk

The Group and Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group and of the Company entities. The currencies giving rise to this risk are primarily Japanese Yen ("JPY") and US Dollar ("USD").

The Group and Company hedges its financial assets and liabilities denominated in foreign currencies from time to time when considered necessary.

Exposure to foreign currency risk

The Group's and Company's exposure to foreign currency (a currency which is other than the functional currency of the Group and Company entities) risk, based on carrying amounts as at the end of the reporting period was:

	Group Denominated in		Company Denominated in	
	JPY RM'000	USD RM'000	JPY RM'000	USD RM'000
2015				
Trade receivables	--	21,734	--	21,478
Due from a subsidiary	--	--	--	132
Cash and cash equivalent	--	5,658	--	5,537
Trade and other payables	(142)	(9,877)	(5)	(9,611)
Secured trust receipts	--	(155)	--	--
Net exposure	(142)	17,360	(5)	17,536

22. Financial instruments (cont'd)

22.6 Market risk (cont'd)

Currency risk (cont'd)

	Group Denominated in		Company Denominated in	
	JPY RM'000	USD RM'000	JPY RM'000	USD RM'000
2014				
Trade receivables	--	13,172	--	12,906
Due from a subsidiary	--	--	--	453
Cash and cash equivalent	--	5,933	--	5,876
Trade and other payables	(357)	(10,680)	(357)	(10,359)
Secured trust receipts	--	(77)	--	--
Net exposure	(357)	8,348	(357)	8,876

Currency risk sensitivity analysis

A 10% (2014: 10%) strengthening of the Ringgit Malaysia ("RM") against the USD at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group Profit or loss		Company Profit or loss	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
JPY	11	27	--	27
USD	(1,302)	(626)	(1,315)	(666)

A 10% (2014: 10%) weakening of RM against the USD at the end of the reporting period would have had equal but opposite effect on the USD to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's and the Company's investment in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not exposed to interest rate risk.

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 to an acceptable level.

22. Financial instruments (cont'd)

22.6 Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Fixed rate instruments				
Financial assets	115,306	82,311	75,812	66,437
Financial liabilities	(11,132)	(6,724)	(7,790)	(5,093)
	104,174	75,587	68,022	61,344
Floating rate instruments				
Financial liabilities	(868)	(2,376)	(868)	(2,376)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group and Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group/Company Profit or loss	
	100 bp increase RM'000	**100 bp decrease RM'000**
2015		
Floating rate instruments	(7)	7
2014		
Floating rate instruments	(18)	18

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

23. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal capital and liquidity ratio that enables the Group to operate effectively with minimum external borrowings.

As at year end, the level of debt maintained by the Group is as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Total borrowings (Note 13)	12,000	9,100
Less: Cash and cash equivalents (Note 10)	(126,869)	(92,190)
Net cash position	(114,869)	(83,090)

There were no changes in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

24. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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. Related parties may be individuals or other entities.

Related parties also include key management personnel 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.

The Group has related party relationship with its substantial shareholders, subsidiaries and key management personnel.

Significant related party transactions

The significant related party transactions of the Group and the Company are shown below.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
A. Substantial shareholders				
Purchases of raw materials	399,492	408,250	258,335	255,200
Purchase of property, plant and equipment	5,905	3,734	1,412	3,734
Sales of tinplates	3,550	2,673	3,550	2,673
B. Subsidiary				
Dividend income received	--	--	6,373	6,114
Interest receivable	--	--	554	601
Purchase of power and steam	--	--	6,823	5,560
Sales of water	--	--	54	84
Engineering fee receivables	--	--	917	--

25. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 March, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries:				
- realised	278,006	268,513	156,915	151,028
- unrealised	(3,806)	(2,948)	(3,897)	(3,035)
	274,200	265,565	153,018	147,993
Less: Consolidation adjustments	(1,170)	(391)	--	--
Total retained earnings	273,030	265,174	153,018	147,993

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants on 20 December 2010.

LIST OF GROUP'S 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. 33 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	10,949
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	69
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 expiring13 December 2088	84
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. 33 years old)	31,309 sq.ft.	90-year lease expiring 24 June 2070	170
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Staff Apartment (approx. 24 years old)	18,496.5 sq.ft.	99-year lease expiring 2 November 2085	Nil
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Staff Apartment (approx. 19 years old)	38,750.4 sq.ft.	99-year lease expiring 28 April 2093	Nil
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. 12 years old)	387,492 sq.ft.	43-year lease expiring 11 February 2046	11,187

The Company does not have a revaluation policy on the landed property. Please refer to Note 2(d), (e) & (h) to the financial statements on pages 41 to 43.
* The net book value of these assets of the Group/Company are at RM1.00 respectively at 31 March 2015.

ANALYSIS OF SHAREHOLDINGS AS AT 29 MAY 2015

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	% of Shareholders	No. of Shares Held	% of Shareholdings
1 to 99	118	1.62	2,541	0.00
100 to 1,000	4,842	66.47	1,790,365	1.80
1,001 to 10,000	2,006	27.54	7,083,839	7.13
10,001 to 100,000	276	3.80	7,447,031	7.50
100,001 to less than 5% of issued shares	38	0.52	15,888,400	16.00
5% and above of issued shares	4	0.05	67,092,544	67.57
Total	7,284	100.00	99,304,720	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 MAY 2015

	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 Capital Markets 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.	Lin Chen Su-Chiung	3,004,500	3.03
6.	HSBC Nominees (Asing) Sdn Bhd HSBC SG for Lee Pineapple Company (Pte) Limited	1,709,500	1.72
7.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Saw Peng	1,300,000	1.31
8.	Ho Han Seng	1,200,000	1.21
9.	Pang Heng Hoe	697,300	0.70
10.	Muto Kazuko	647,500	0.65
11.	Ong Siew Hwa	550,100	0.55
12.	Wong Ah Tim @ Ong Ah Tin	500,000	0.50
13.	Ong Fang Loong	480,800	0.48
14.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Heng Hoe	459,600	0.46
15.	Ong Saw Peng	447,900	0.45
16.	Neoh Choo Ee & Company, Sdn. Berhad	400,000	0.40
17.	Hiroshi Sumino	300,000	0.30

THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 MAY 2015 (CONT'D)

	Name of shareholders	No. of Shares	% of Issued Capital
18.	Ong Chee Joon	272,000	0.27
19.	Yeoh Saik Khoo Sendirian Berhad	262,900	0.26
20.	South Well Sdn. Bhd	256,800	0.26
21.	Khor Saw Hoon	250,000	0.25
22.	Maybank Nominees (Tempatan) Sdn Bhd Lee Kim Tak	250,000	0.25
23.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang See Hing	243,700	0.25
24.	Dynaquest Sdn. Berhad	194,400	0.20
25.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Md Zin Bin Baharom	187,500	0.19
26.	Zurid Corporation Sdn Bhd	186,000	0.19
27.	Ng Soon Siong	154,000	0.16
28.	Chua Chin Kok Holding Sdn Bhd	150,000	0.15
29.	Seah Mok Khoon	150,000	0.15
30.	Yeo Khee Huat	147,800	0.15
	Total	81,494,844	82.06

SUBSTANTIAL SHAREHOLDERS AS AT 29 MAY 2015

Name of Substantial Shareholder	Direct Interest No. of Shares held	Direct Interest % of Issued Capital	Indirect Interest No. of Shares held	Indirect Interest % 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	-	-
Mitsui & Co Ltd-(J)	9,473,000	9.54	-	-

[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

DIRECTORS' INTERESTS AS AT 29 MAY 2015

Name	Direct No. of Shares Held	Direct % of Issued Capital	Indirect No. of Shares Held	Indirect % of Issued Capital
Hiroshi Kume	-	-	32,617,544 [1]	32.85
Koichi Sawada	20,000	0.02	-	-
Ab. Patah bin Mohd	100	0.00	-	-
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-Seventh Annual General Meeting of the Company will be convened and held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 28 July 2015 at 11.30 a.m for the following purposes:-

AGENDA

As Ordinary Business

1) To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2015 together with the Directors' and Auditors' Reports thereon.
Note 6

2) To re-elect Koichi Sawada who retires pursuant to Article 86 of the Articles of Association of the Company.
Resolution 1

3) To re-elect Rin Nan Yoong who retires pursuant to Article 86 of the Articles of Association of the Company.
Resolution 2

4) To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

" THAT Hiroshi Kume, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."
Resolution 3

5) To approve the payment of Directors' Fees of RM 595,000.00 for the financial year ended 31 March 2015.
Resolution 4

6) To approve the payment of a final single tier dividend of 20.00 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015.
Resolution 5

7) To re-appoint the Auditors, Messrs KPMG and to authorise the Directors to fix their remuneration.
Resolution 6

As Special Business

To consider and, if thought fit, to pass the following 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 ("Proposed Shareholders' Mandate")

"THAT, pursuant to Paragraph 10.09 Part E of 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 Section 3.2 of the Circular to Shareholders dated 3 July 2015 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,

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 the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."
Resolution 7

9) Retention of Independent Director

THAT Yusuf Bin Jamil be retained as an Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting.
Resolution 8

10) Appointment of Director over seventy (70) years of age

THAT Hiroshi Sumino be and is hereby appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.

Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirty-Seventh Annual General Meeting, a final single tier dividend of 20.00 sen per ordinary share of RM1.00 each, in respect of the financial year ended 31 March 2015 will be paid to shareholders on 18 August 2015. The entitlement date for the said dividend shall be on 6 August 2015.

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

a) Shares deposited into the depositor's securities account before 12.30 p.m. on 4 August 2015 (in respect of shares which are exempted from mandatory deposit).

b) Shares transferred to the depositor's securities account before 4.00 p.m. on 6 August 2015 in respect of transfers.

c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
CHAN SU SAN (MAICSA 6000622)
Company Secretaries

3 July 2015

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) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

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 27-03, 27th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

5) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 21 July 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

6) The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

7) EXPLANATORY NOTES ON SPECIAL BUSINESS

   (i) Resolution 7 - Proposed Shareholders' Mandate

   For further information on Resolution 7, please refer to the Circular to Shareholders dated 3 July 2015 accompanying the Company's Annual Report for the financial year ended 31 March 2015.

   (ii) Resolution 8 - Retention of Yusuf Bin Jamil as Independent Director

   Yusuf Bin Jamil ("Encik Yusuf") was appointed as an Independent Director on 21 February 2000 and has served the Company for 15 years as at the date of the notice of 37th AGM. Encik Yusuf has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers Encik Yusuf to be independent and recommends Encik Yusuf to remain as an Independent Director.

   (iii) Resolution 9 – Appointment of Hiroshi Sumino as Director of the Company

   This proposed resolution is in accordance with Section 129(6) of the Companies Act, 1965 and if passed, Mr Hiroshi Sumino, who is over seventy (70) years of age, will be appointed as Non-Independent Non-Executive Director of the Company and will hold office until the conclusion of the next Annual General Meeting. His details are set out in the Statement Accompanying the Notice of Annual General Meeting on page 70 of the Company's Annual Report for the financial year ended 31 March 2015.

1. Details of Mr Hiroshi Sumino, who is proposed for appointment as Non-Independent Non-Executive Director of the Company at the Thirty-Seventh Annual General Meeting of the Company are as follows:

Name	:	Hiroshi Sumino
Age	:	70
Nationality	:	Japanese
Qualification	:	Graduated with a Bachelor degree in Economics from Osaka City University, Japan
Position in Board	:	Non-Independent Non-Executive Director
Working experience and occupation	:	Mr Hiroshi Sumino joined Kawasho Corporation in 1967 and was appointed as Deputy Manager of Finance and Accounts Department of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("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 appointed as the Group Chief Operating Officer of Perstima from May 2004 to July 2009 and subsequently as the Deputy General Director of Yokohama Tire Vietnam Inc. from August 2009 till February 2013. From March 2013 till April 2015, he was appointed as the Executive Director of Yokohama India Private Ltd. He was re-designated as a Non-Independent Non-Executive Director of Perstima on 1 April 2010 and re-designated as Independent Non-Executive Director on 3 May 2013 before leaving Perstima on 27 July 2013.
Other directorship in public companies	:	None
Any interest in Securities of the Company and its subsidiaries	:	300,000 Ordinary Shares of RM1.00 each
Family relationship with any Director and/or major shareholder of the Company	:	None
Conflict of Interest with the Company	:	None
List of Conviction for Offenses within the Past Ten (10) Years other than traffic offences, if any	:	None

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

____ or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company, to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 28 July 2015 at 11.30 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	Re-election of Koichi Sawada as Director - Article 86 of the Articles of Association of the Company		
Resolution 2	Re-election of Rin Nan Yoong as Director - Article 86 of the Articles of Association of the Company		
Resolution 3	Re-appointment of Hiroshi Kume as Director – Section 129 of the Companies Act, 1965		
Resolution 4	Approval of Directors' Fees		
Resolution 5	Approval of a final single tier dividend of 20.00 sen per ordinary share of RM1.00 each		
Resolution 6	Re-appointment of Messrs KPMG as Auditors of the Company and authorise the Directors to fix the Auditors' remuneration		
Resolution 7	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		
Resolution 8	Retention of Yusuf bin Jamil as an Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2012		
Resolution 9	Appointment of Hiroshi Sumino as Director over seventy (70) years of age pursuant to Section 129(6) of the Companies Act, 1965		

[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 ……………. 2015

……………………………………………….........
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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
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 27-03, 27th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
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Perusahaan Sadur Timah Malaysia (Perstima) Berhad
(Incorporated in Malaysia) (49971-D)

POSTAGE

PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD
SUITE 27-03, 27th FLOOR, MENARA KECK SENG
203, JALAN BUKIT BINTANG
55100 KUALA LUMPUR.

FOLD HERE

PERSTIMA

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