LAPORAN TAHUNAN 2022 ANNUAL REPORT

PERSTIMA

PERUSAHAAN SADUR TIMAH MALAYSIA
(PERSTIMA) BERHAD
Reg. No. 197901005687 (49971-D)
(Incorporated in Malaysia)

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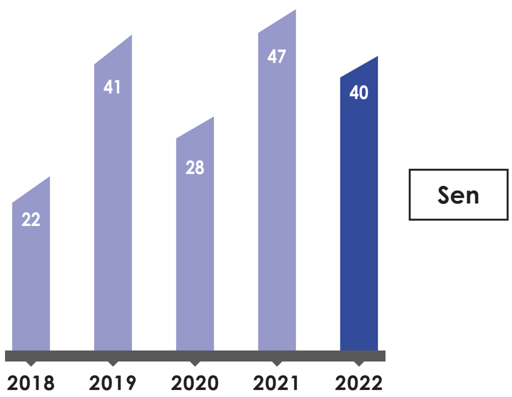
ANNUAL REPORT 2022

CONTENTS

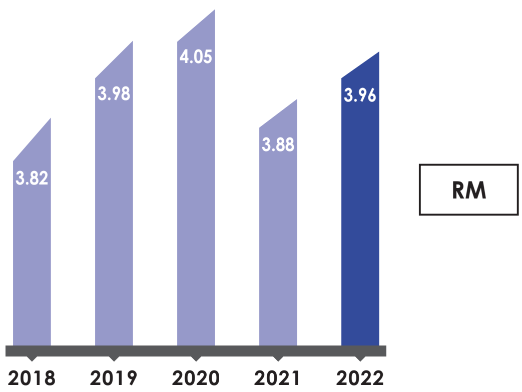
FIVE YEAR FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,344,379	832,535	860,016	978,778	938,867
Profit before taxation	65,662	67,608	41,156	53,631	28,535
Profit after taxation	50,933	52,220	30,913	41,021	21,534
Dividend per share (sen) – net of tax	-	20.00	10.00	30.00	30.00
Share capital	157,782	157,782	99,305	99,305	99,305
Shareholders' fund	510,647	501,206	402,525	395,521	379,080
Total Tangible Asset	1,035,209	640,996	491,632	469,769	471,321
Total Borrowing	409,500	60,087	15,059	17,603	34,222
Earnings per share (sen)	40	47	28	41	22
Net assets backing per share (RM)	3.96	3.88	4.05	3.98	3.82

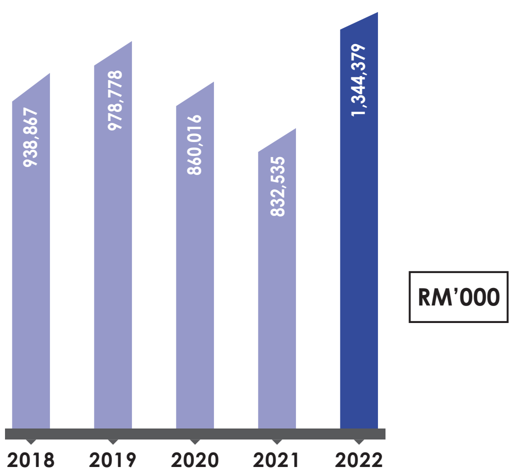
EARNINGS PER SHARE



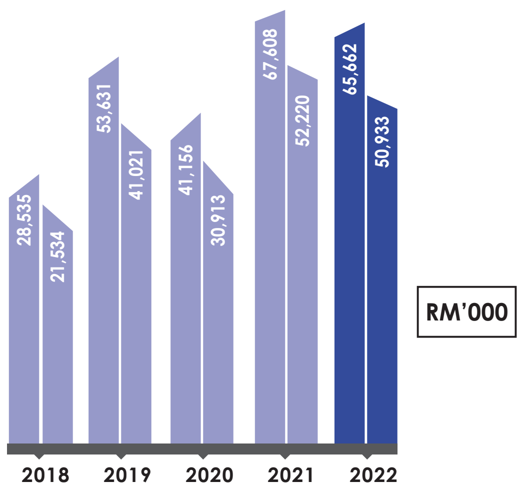
NET ASSETS PER SHARE



REVENUE



PROFIT BEFORE TAX & AFTER TAX



CORPORATE INFORMATION

Board of Directors

Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director, Chairman)
Hiroaki Yano
(Managing Director)
Ranko Kume
(Executive Director)
Rin Nan Yoong
(Non-Independent Non-Executive Director)
Dominic Aw Kian-Wee
(Senior Independent Non-Executive Director)
Mastura binti Mansor
(Independent Non-Executive Director)
Ab. Patah bin Mohd
(Independent Non-Executive Director)
Ho Chun Foh
(Alternate Director to Rin Nan Yoong)

Company Secretaries

Tai Yit Chan
SSM PC No. 202008001023 (MAICSA 7009143)
Chan Yoke Peng
SSM PC No. 202008001791 (MAICSA 7053966)

Registered Office

Suite 27-03, 27th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur, Malaysia

Tel: (60-3) 2148 2793
Fax: (60-3) 2148 4552

Registrars

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel: (60-3) 7890 4700
Fax: (60-3) 7890 4670

Principal Place of Business

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

Tel: (60-7) 254 1200
Fax: (60-7) 251 4618

Auditors

Messrs KPMG PLT
LLP0010081-LCA & AF 0758
Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar, 79200 Iskandar Puteri
Johor Darul Takzim, Malaysia

Tel: (60-7) 266 2213
Fax: (60-7) 266 2214

Company Secretarial Agents

Boardroom Corporate Services Sdn. Bhd.
Registration No. 196001000110 (3775-X)
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel: (60-3) 7890 4800
Fax: (60-3) 7890 4650

Principal Bankers

Malayan Banking Berhad
CIMB Bank Berhad
AmBank Islamic Berhad
HSBC Bank Malaysia Berhad
HSBC Bank (Vietnam) Ltd.
ANZ Bank (Vietnam) Ltd.
Hong Leong Islamic Bank Berhad
Mizuho Bank (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name : PERSTIM
Stock Code : 5436
Sector : Industrial Products & Services

Website

www.perstima.com.my

Audit Committee

Mastura binti Mansor
(Chairperson / Independent Non-Executive Director)
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director)
Dominic Aw Kian-Wee
(Senior Independent Non-Executive Director)
Rin Nan Yoong
(Non-Independent Non-Executive Director)

Remuneration Committee

Rin Nan Yoong
(Chairman / Non-Independent Non-Executive Director)
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director)
Dominic Aw Kian-Wee
(Senior Independent Non-Executive Director)
Mastura binti Mansor
(Independent Non-Executive Director)

Nomination Committee

Dominic Aw Kian-Wee
(Chairman / Senior Independent Non-Executive Director)
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director)
Mastura binti Mansor
(Independent Non-Executive Director)

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

Independent Non-Executive Chairman

A Malaysian, aged 61, male, is an Independent Non-Executive Chairman of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("Perstima" or "the Company"). He was first appointed to the Board of Directors ("Board") of Perstima on 25 July 2013 and re-designated as the Chairman on 16 October 2013. He also serves as a member of the Audit Committee, Remuneration Committee and Nomination Committee. He attended all six (6) Board meetings held during the financial year.

Y. Bhg. Dato' Dr. Gooi is a member of Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has more than 38 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' Dr. 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, held this last post until 2006. He was also the CEO/Executive Director-Dealing of Avenue Securities Sdn Bhd.

In 2008, Y. Bhg. Dato' Dr. 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 and in the same year assumed Chairmanship, a position that he held until August 2016. In April 2018, he resigned as a Director of both Amity Bond Berhad and AIA Berhad, subsequent to which he was appointed as an Independent Non-Executive Director of Bank Negara Malaysia by His Majesty the Yang di-Pertuan Agong, a position that he held until August 2019. He was also appointed to the board of Hup Seng Industries Berhad from November 2013 to February 2020. On 1 January 2019, he was appointed by the Minister of Finance as a board member of the Securities Commission Malaysia. He was also appointed as a board member of Hong Leong Foundation in January 2022. He also sits on the board of Yinson Holdings Berhad and Red Ideas Holdings Berhad.

Y. Bhg. Dato' Dr. Gooi has no conflict of interest with the Company, no family relationship with any directors and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Hiroaki Yano

Managing Director
(Key Senior Management)

A Japanese, aged 59, male, was first appointed as Managing Director of Perstima on 1 April 2017. On 5 July 2018, he ceased as a member of the Remuneration Committee. He attended all six (6) Board meetings held during the financial year.

He graduated from the Faculty of Business and Commerce, Keio University, Japan in 1987. He joined Kawasho Corporation in Osaka, Japan in 1987 and held various senior positions particularly in the Steel Sheet and Automative Steel Department. In 1997 to 2000, he was seconded to Kawasho Steel Processing Centre Sdn Bhd as Assistant General Manager of Sales Department before he was transferred back to Kawasho Corporation Tokyo Japan as Manager of Automotive Planning Department. In 2007, he was seconded to JFE Shoji Trade India Co., Ltd as Managing Director, and subsequently, transferred to Steel Alliance Service Center in Thailand as Managing Director in 2010. In 2013, he was with JFE Shoji Trade Corporation (now known as JFE Shoji Corporation) in Hiroshima, Japan and was assigned as General Manager.

He has no conflict of interest with the Company, no family relationship with any directors and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Ranko Kume

Executive Director
(Key Senior Management)

A Japanese with Malaysian permanent resident status, aged 49, was first appointed to the Board of Perstima as Alternate Director to Mr Hiroshi Kume on 26 February 2014, and subsequently, appointed as a Non-Independent Non-Executive Director on 31 December 2015. She was re-designated as an Executive Director and ceased to be as a member of the Audit Committee and Nomination Committee on 1 November 2019. She attended all six (6) Board meetings held during the financial year.

She has more than 24 years of experience as a consultant and project manager in the field of architecture and interior design. Complemented with experience in leading and expanding a design and build business, emphasising goal led growth for each employee, her focus is on long term operational strategy.

She is the daughter of Mr Hiroshi Kume who is deemed to be a major shareholder of the Company through his direct interest of 39.99% in Versalite Sdn. Bhd. which in turn holds 32.85% equity in the Company. Save as disclosed, she has no family relationship with any directors and/or major shareholders of the Company and has no conflict of interest with the Company. She has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Rin Nan Yoong

Non-Independent Non-Executive Director

A Singaporean, aged 55, male, was first appointed to the Board of Perstima on 26 March 2004 as an Independent Non-Executive Director, and subsequently, re-designated as a Non-Independent Non-Executive Director on 2 November 2009. He serves as the Chairman of the Remuneration Committee and a member of the Audit Committee. He attended all six (6) Board meetings held during the financial year.

He graduated from the Faculty of Sciences, University of Southern California. 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 and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

He is deemed to have an interest in the shares of Perstima by virtue of his 40% shareholdings in Versalite Sdn Bhd, a major shareholder of Perstima and has direct interest in 57,200 ordinary shares in Perstima.

Dominic Aw Kian-Wee

Senior Independent Non-Executive Director

A Malaysian, aged 50, male, was first appointed to the Board of Perstima as an Independent Non-Executive Director on 15 August 2016. He was identified as Senior Independent Non-Executive Director on 30 October 2019. He also serves as the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. He attended all six (6) Board meetings held during the financial year.

He holds a Bachelor of Law (Hons) from University of Hull, North Humberside, England and Barrister-at-Law (Middle Temple) from University of Westminster, London, England. He was formerly a partner of Mazlan & Associates from 2003 to 2015 and has 26 years of working experience as an Advocate and Solicitor. He also sits on the board of Ajinomoto (Malaysia) Berhad and Gets Global Berhad.

He has no conflict of interest with the Company, no family relationship with any other directors and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Mastura binti Mansor

Independent Non-Executive Director

A Malaysian, aged 57, female, was first appointed to the Board of Perstima as an Independent Non-Executive Director on 15 August 2016. She was appointed as a member of the Audit Committee, and subsequently, re-designated as Chairperson of the Audit Committee on 5 July 2018. She also serves as a member of the Remuneration Committee and Nomination Committee. She attended all six (6) Board meetings held during the financial year.

She holds a Bachelor of Science (Industrial Engineering) from Wichita State University, Wichita, Kansas, USA and attended Human Resources Strategy in Transforming Organisation from London Business School, England.

She has over 30 years of experience in production planning, human resources, supply chain management and business management in diverse industries such as automotive, rail, oil & gas, marine transportation and industrial products & services including building materials. In November 2021, she joined Cahya Mata Sarawak Berhad as Chief of Staff after ending her stint as Country President - Indonesia (Heading PT Rig Tenders Indonesia TBK (a Public Listed Company) and PT Scomi Oiltools) headquartered in Jakarta with branch offices in Banjarmasin and Balikpapan, Kalimantan.

She has no conflict of interest with the Company, no family relationship with any other directors and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Ab. Patah bin Mohd

Independent Non-Executive Director

A Malaysian, aged 66, male, was appointed to the Board of Perstima as an Independent Non-Executive Director on 1 November 2019. He attended all six (6) 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 subsequently appointed as General Manager in 1995. He was then appointed as an Executive Director of Perstima on 31 October 1998 and resigned on 27 February 2016.

He has no conflict of interest with the Company, no family relationship with any directors and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

He has direct interest in 100 ordinary shares in Perstima.

Ho Chun Foh

Alternate Director to Rin Nan Yoong

A Malaysian, aged 60, male, was first appointed to the Board of Perstima on 2 April 2018 as Alternate Director to Mr Rin Nan Yoong, a Non-Independent Non-Executive Director of the Company.

He holds a Bachelor of Accountancy (Hons) from University Malaya. He is a member of Malaysian Institute of Accountants. He began his career with a Chartered accounting firm in 1989.

In 1992, he joined a Taiwanese manufacturer as a Finance Manager for two (2) years before he joined his current company, a property company for the same position. He was promoted to the post of Chief Executive Officer in 2013.

He has no conflict of interest with the Company, no family relationship with any directors and/or major shareholders of the Company and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

KEY SENIOR MANAGEMENT PROFILE

Akira Suzuki
President, Perstima (Philippines), Inc.

A Japanese, aged 48, male, was first appointed as President of Perstima (Philippines), Inc. on 1 April 2019.

He obtained his Bachelor of Degree in Economics from Waseda University, Japan in 1997. He started his career by joining Kawasho Corporation in 1997 in Plate Group division. In years 2002 to 2006, he was seconded to Kawasho International (USA), Inc as Sales Manager before he was transferred back to JFE Shoji Trade Corporation (now known as JFE Shoji Corporation), Tokyo, Japan. He held various senior position in Shipbuilding Plate section, Hot Rolled Steel section, Steel Department and Tin Mills Products section.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any directors and/or major shareholders of the Company and any conflict of interests with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Chia Kian Cheng
General Director of Perstima (Vietnam) Co., Ltd.

A Malaysian, aged 45, male, was first appointed as General Director in Perstima (Vietnam) Co., Ltd. on 1 April 2020.

He holds a Bachelor Degree in Business Administration from The National University of Malaysia. He joined Perstima in 2000 in Sales Department and subsequently was seconded to Perstima (Vietnam) Co., Ltd. in 2003. He was transferred back to Perstima Malaysia in 2010 and held various senior position in Sales, Finance and Corporate Affair division before he was seconded to Perstima (Vietnam) Co., Ltd.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any directors and/or major shareholders of the Company and any conflict of interests with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Hiroshi Sagawa
Chief Financial Officer

A Japanese, aged 52, male, was first appointed as Chief Financial Officer of Perstima on 26 August 2020.

He holds a degree in Economics from Kanazawa University, Japan. He joined Kawasho Corporation in 1992 and held various senior positions particularly in Finance Department. In 2008, he was seconded to JFE Shoji Trade Australia Pty, Ltd. as Company Secretary before he was transferred back to JFE Shoji Trade Corporation (now known as JFE Shoji Corporation) in 2010 as Finance Manager in charge of Treasury and Foreign Trade Section and Finance Planning Section. In 2017, he was transferred to JFE Shoji Trade America Inc. as Vice President of Finance Department.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any directors and/or major shareholders of the Company and any conflict of interests with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

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 2022 ("FY 2022").

Company Performance and Development

The Group faced various challenges in FY2022, key amongst which were global inflation and supply chain disruption and uncertainty occasioned by the COVID-19 pandemic and geopolitical tensions. During the FY2022, the Group recorded an increase in revenue of RM1,344.4 million compared with the previous financial year of RM832.5 million. The Group's operations achieved profit after tax of RM50.9 million, a decrease of RM1.3 million from the previous year. Nevertheless, the Group's cash flow position remained resilient at RM65.5 million, despite a net decrease of RM9.2 million in cash and equivalent as at FY 2022.

Dividends

The Board does not recommend the payment of any final dividend in respect of financial year ended 31 March 2022.

Industry and Prospects

The Board expects the Group's operating environment to remain challenging and competitive due to global steel price hikes and the weakening of Ringgit against United States Dollar. However, as the global economies gradually recover from the impact of COVID-19, we expect an increase in demand for tinplate arising from a corresponding increase in global consumption. The industry is adopting a cautiously optimistic outlook over the medium-to-long-term. The Group will continue to put in more effort in production efficiency, implementing cost rationalisation and saving measures, improving sales and marketing performance, maintaining good relationships with its existing customers and developing relationships with new customers.

During FY 2022, the Group upgraded the Human Machine Interface (HMI) system at its Malaysia facility to ensure the comprehensive capture of relevant technical data for reporting and analysis. The Group will execute its planned upgrade of machinery to the latest technology in both its Malaysia & Vietnam plants following on from the use of machinery using the latest technology in the Group's new Philippines plant (set up primarily to meet local domestic demand for high quality tinplate there). With this expansion, the Group will be more well prepared and place a better position to meet the market requirements in the region.

Environmental, Social and Governance

The Group consistently supports environment, social and welfare activities such as charitable causes and blood donation campaigns in the communities it operates so as to instill the culture of caring for the community. The Group also extends to undergraduates the opportunity to undergo industrial training and provides the position of management trainee to the graduates in addition to promoting and cultivating healthy lifestyle among its employees and their family members. Besides that, the Group are putting efforts in trying to reduce the carbon footprint in near future. In addition, we are committed to uphold the highest standards of corporate governance and will take the necessary steps to ensure that we phase-in compliance with the new Malaysian Code on Corporate Governance 2021.

Forward Statements

Taken as a whole, FY2022 evidenced the strength of our business during challenging times while providing a positive outlook for our business. The ongoing Russia-Ukraine conflict is expected to compound global supply chain disruptions and exert inflationary pressure on the global operating environment especially on raw material prices. The Group will use its best endeavours to continue delivering sustainable value to shareholders through revenue growth from new and existing customers and improving our operational efficiency through cost control measures.

Acknowledgements

On behalf of the Board of the Directors, I wish to extend my appreciation to the management and employees for shown great resilience by staying the course over the challenging year and continuing to achieve encouraging results.

My appreciation also extends to 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 continued dedications and contribution to the Group throughout the year.

Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon
Chairman
20 July 2022

Group Business and Operations

Perusahaan Sadur Timah Malaysia (PERSTIMA) Berhad ("Perstima" or "the Company") is a producer and supplier of high-quality prime grade Tinplate for both domestic and exports market. The Company mainly focuses on domestic markets to cater to local customer demand although it continues to explore export opportunities to increase its global presence. The Company was incorporated on 16 August 1979 and commenced commercial production on 2 April 1982. The Company has four (4) subsidiaries, namely Perstima (Vietnam) Co. Ltd., Perstima Utility Sdn. Bhd., Perstima (Philippines), Inc. and Perstima Tin Plate Sdn. Bhd. The principal activity of Perstima (Vietnam) Co. Ltd. is the manufacture and sale of tinplate and tin free steel. Perstima Utility Sdn. Bhd is involved in generation, transmission and sales of power and other utilities. Perstima (Philippines), Inc is similarly involved in the manufacture and sale of tinplate and tin free steel. Perstima Tin Plate Sdn. Bhd. is a dormant company.

The manufacturing facility in Malaysia is located in Pasir Gudang Industrial Estate, Johor and is able to support a total maximum production capacity of 200,000 MT per annum. By virtue of its close proximity to the Pasir Gudang Port, it has excellent logistic support. The manufacturing facility in Vietnam is located in the Vietnam Singapore Industrial Park (VSIP) (one of the most modern industrial parks in Vietnam, located in Binh Duong Province which is 30km north of Ho Chi Minh City) and is able to support a total maximum production capacity of 120,000 MT per annum. The new manufacturing facility in the Philippines is located at Light Industrial Science Park IV (a park designed as a true live-work community that includes a 170-hectare industrial area located at the heart of Malvar, Batangas, Philippines) and is able to support a total maximum production capacity of 200,000 MT per annum.

Strategies in Creating Values

Perstima was accredited with ISO 9002 in 1995 and further accredited with ISO 9001 in 2001 and ISO 14000 in 2005. With the ISO accreditations, our customers are assured of the highest quality of our products and services. Our production processes have evolved and refined over the years, incorporating the latest technologies to improve efficiencies and quality standard.

To achieve better tinplating in the production process, the Company introduced the use of the Combine Generator (COGEN) in 2011 and Methane Sulfonic Acid (MSA) in 2012. The Company also obtained HALAL certification from Jabatan Kemajuan Islam Malaysia (JAKIM) in year 2013 which expands its reach into new local and overseas markets.

Perstima is entering a new phase of expansion and growth. Its new manufacturing plant in the Philippines represents an opportunity for the Company to grow its earnings base and to diversify its markets. The Board is confident that the Group is best placed to successfully commission its new manufacturing facility in the Philippines with its existing expertise, assets and knowledge in electrolytic tinning and tin free steel production. With a foothold in the Philippines, the Group is poised to become the biggest tinplate and tin free steel supplier in the South-East Asia region.

Review of Financial Results and Operating Activities

In financial year ended 31 March 2022 ("FY 2022"), we recorded a Profit After Tax ("PAT") of approximately RM50.9 million despite immense challenges faced because of higher raw material costs, stiff competition from importers and the weakening of Ringgit Malaysia against US Dollar.

Key Financial Highlights

- Group's revenue increased by 61.5% to RM1,344.4 million (FY 2021: RM832.5 million)
- Group's net profit after tax decreased by 2.5% to RM50.9 million (FY 2021: RM52.2 million)
- Group's basic earnings per share decreased to 40 sen, down by 14.9% (FY 2021: 47 sen)
- Group's net assets per share increased to RM3.96 up by 2.1% (FY 2021: RM3.88)

Revenue

The Group recorded revenue of RM1,344.4 million in FY 2022, an increase of RM511.9 million compared with revenue in the preceding financial year due to higher sales volume coupled with higher selling price, reflecting selling price increase in line with global market trends.

Profit after Tax

The Group's PAT decreased by 2.5% to RM50.9 million in FY 2022, from RM52.2 million in the previous financial year. The decrease in PAT was mainly attributed to the Group's profit margin deterioration in the first half of FY 2022 due to the global steel price hike, however the Group managed to recover back its profit margin in the second half of FY 2022.

Financial Position and Liquidity

As at end FY 2022, the Group's total asset stood at RM 1,035.2 million, an increase of 61.5% from RM 641.0 million, due to increase in non-current asset acquired by the Group mainly from the expansion in Philippines. During the year, the Group's inventory increased due to the higher inventory cost. The Group's cash and bank balance decreased mainly due to capital expenditure for the expansion in Philippines as well as to cater for the working capital.

Equity attributable to equity holders of the Company was RM 510.6 million as at FY 2022 with a return on equity of 10.0%, which is lower compared to prior year FY 2021 of 10.4%.

The Group bank borrowings increased by more than 100% to RM409.5 million, from RM60.1 million in the previous financial year. The increased in bank borrowings due to the long-term loan financing for expansions in Philippines meanwhile higher short-term borrowings to cater for the working capital.

The Group recorded higher net cash used in operating activities of RM 155.7 million as compared to net cash generated from operating activities in previous financial year FY 2021 of RM 1.3 million. The decrease in operating cash flow is attributed to raw material price increase leading to higher inventory cost during FY 2022 by the Group coupled with the stock in transit payment of raw materials and sales price increase resulting in higher trade receivables at the end of FY2022. The Group net cash outflow of RM160.8 million used in investing activities is mainly attributable to capital expenditure for the expansion in Philippines. The Group net cash inflow of RM 322.9 million from financing activities is mainly due to proceeds received from short term borrowings and long-term loan drawdowns partially offset by the dividend payment. Overall, the Group cash and cash equivalent stood at RM 65.5 million, decreasing 12.3% from RM 74.7 million.

Dividend Policy

Dividend payment is subject to the discretion of the Board and for final dividend, approval from the Shareholders. The dividend pay-out takes into consideration a number of factors such as the Group's earnings, future capital requirements, general financial condition, its distributable reserves and other factors considered relevant by the Board.

Review of Operating Segments

Our Group has two segments being the manufacturing of tinplate and tin free steel. These drive the operations of the Group.

Malaysia

The primary focus of the segment is on the manufacturing and selling of tinplate and serves as our Group's core business focus. Revenue contributed from this division amounted to RM 815.6 million, representing an increase of 62.5% during the FY 2022. Our segment in Malaysia experienced a tough and challenging year, as the Company faced raw materials price hikes and the weakening of Ringgit Malaysia against US Dollar compounding the uncertainty on the pandemic Covid-19 impact. Management will continue to steer through the challenges and endeavour to create positive value for the Group moving forward.

Vietnam

Our business in Vietnam is the manufacture and sale of tinplate and tin free steel. Revenue contributed from this subsidiary amounted to RM528.7 million, representing an increase of 59.9% during the FY 2022. The global steel price hikes contributed to the increase in selling price. Management will increase its focus on the Vietnam domestic market and continue exploring business opportunities in the export market as well as ensure high production efficiency, production cost-saving measures and good customer service to meet the needs to our customers.

Philippines

The operations in Philippines have not commenced in FY2022. The Factory building site is fully constructed and commissioned, machine equipment installed and ongoing fine-tuning activities being performed.

Risks and Its Measures

The Group is supported by a risk management committee whose responsibility is to identify, assess, manage and monitor risks arising in the business. The key risks applicable to the Group in its business are as follows:

Competition Risk

The industry that the Group operates in encounters stiff competition mainly from China and South Korea which is increasing its export supply to our markets. Anti-dumping protection for the Malaysian market expired during FY 2019 and so this poses a challenge to the Group in maintaining its position in the local as well as global market share. As we pride our Group as the premier tinplate producer, we will continue to maintain this position by differentiating our products as premium quality tinplate

Operational Risk

Manufacturing downtime is unpredictable as it involves various unforeseen circumstances such as machine breakdown, fire and force majeure. Our Group has taken the necessary preventive measures to reduce impact by ensuring that the maintenance of machines is performed as scheduled and sufficient insurance coverage is obtained over our inventory and machinery.

COVID-19 Risk

Outbreaks and consequent lockdowns would adversely affect the Group business and operations. Management had been closely monitoring the risk by mitigating the risk with adequate procedures and timely actions.

We believe that we are adequately prepared to mitigate the resulting consequences of any of these key risks. The Group will continue to monitor all major risks affecting the Group and take the necessary measures to mitigate them.

Forward Looking Statement

As the restrictions occasioned by the COVID-19 pandemic lift in the transition to the endemic phase, key economic sectors are expected to continue its growth trend in year 2022/23. However, with the economic effects of the COVID-19 continuing to linger and with these being exacerbated by the ongoing Russia – Ukraine conflict, the Board of Directors expects the Group's growth and profitability to be affected by the increasing cost of raw materials, logistics and supply chain disruption and the volatility of the Ringgit Malaysia against United States Dollar exchange. In spite of the above, the diverse locations in which the Group's manufacturing facilities are based (Malaysia, Vietnam and Philippines) and the diverse markets in which the Group sells its products may help the Group cushion any negative impact. The Group will continue to intensify its sales and marketing efforts in addition to applying its best efforts to improve production efficiencies and costs savings to ensure the profitability of the Group for the next financial year.

Acknowledgement and Appreciation

On behalf of the Board of Directors, I would like to express sincere appreciation to my fellow management team members and all employees for their hard work and dedications that strive to achieve encouraging results. We also thank our valued customers, business associates, suppliers and various government agencies who have given us continuous support through thick and thin all this while.

Last but not least, I would like to extend my appreciation to my fellow board members for all their contribution and commitment. I hope all shareholders and stakeholders will continue to place their trust in our Group as we strive ahead for another year.

Hiroaki Yano
Managing Director
20 July 2022

The Board of Directors ("Board") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("the Company" or "Perstima") and its subsidiaries (the "Group") recognises the importance of good corporate governance and is fully committed to ensure that the highest standards of corporate governance are observed throughout the Group. The Company also fully supports the governance principles and practices as set out in the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia in discharging its responsibilities and achieving the above objectives by taking various measures to enhance its corporate governance practices.

This Corporate Governance Overview Statement provides a summary of the Company's corporate governance practices during the financial year ended 31 March 2022 with reference to the following three (3) principles and practices to the extent of compliance with the recommendations of good corporate governance as set out in the MCCG and Corporate Governance Guide (4th Edition):-

Board Leadership & Effectiveness	Effective Audit & Risk Management	Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

This Corporate Governance Overview Statement is prepared in compliance with Paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and supported with a Corporate Governance Report ("CG Report"). The CG Report provides the detailed application of the Company's corporate governance practices against the MCCG during the financial year 2022, which is available at the Company's website at http://www.perstima.com.my/data/cms/files/perstima-cg-report-2022.pdf as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Clear roles and responsibilities

The Directors, with their different backgrounds and specialisations, 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 segregation of duties and responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon as the Independent Non-Executive Chairman and the executive management of the Company is led by Mr Hiroaki Yano, the Managing Director ("MD").

In discharging its roles and responsibilities, the Board is guided by the Board Charter which outlines the duties and responsibilities of the Board, as well as matters that the Board may delegate to the Board Committees, MD and Management of the Company. The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Company is firmly vested in its hand. The Board reviews and updates its Board Charter regularly to ensure it complies and is consistent with the latest legislations and best practices as well as remains relevant and effective in the operations of the Company, which available at the Company's website at www.perstima.com.my.

The Board is mindful of its role to establish a corporate culture which inculcates ethical conduct that permeates throughout all levels of the Group and prevent unethical practices or misconduct. Accordingly, the Board has put in place a Code of Ethics and Standard of Conduct ("COC") for Directors, Management and officers of the Group ("Officers"). This COC aims to outline the standards of business conduct and ethical behaviour as well as a fundamental guiding principles and standards for the Officers especially for the Directors to discharge their duties and responsibilities in order to uphold their high standards of personal integrity, professionalism and ethical practices.

The Company has also established a Whistleblowing Policy for its Directors and employees to provide a clear line of communication and reporting of genuine concerns for employees and other stakeholders to disclose any improper conduct. To this report's date, there have not been any reports received.

In compliance with the amendments of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of the MMRL of Bursa Securities in relation to anti-bribery, the Board had on 29 May 2020 approved the adoption of Anti-Bribery and Corruption Policy Statement in order to achieve and maintain the highest standard of integrity and work ethics in the conduct of its business and operations. The Anti-Bribery and Corruption Policy Statement provides guidance to all employees of the Group relating to specific acts of bribery and corruption and also the related matters such as proper reporting and accountabilities.

The COC, Whistleblowing Policy as well as the Anti-Bribery and Corruption Policy Statement are available at the Company's website at www.perstima.com.my.

2. Separation of Position of the Chairman and Managing Director

There is a clear segregation of duties and responsibilities between the Chairman and MD for ensuring there is a balance of power and authority in the Company.

The Chairman is responsible for ensuring Board's effectiveness and conduct of the Board meetings and also as facilitator at the Board meetings to prevent any individual Director from dominating the Board's discussions and decision making. Whilst, the MD has overall responsibilities over the operating units, organisational effectiveness, developing business and implementation of corporate strategies and Board's policies for decisions making.

The respective roles and responsibilities of the Chairman and MD are clearly set out in the Board Charter of the Company.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *(Cont'd)*

I. Board Responsibilities *(Cont'd)*

3. Supported by Competent Company Secretaries

The Board is supported by two (2) suitably qualified, competent and capable Company Secretaries, both are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries play an advisory role, particularly on corporate administrative and governance matters to ensure the Company is complied with its own Constitution, relevant laws and regulatory requirements.

The Company Secretaries attended all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are followed including disseminating complete and accurate meeting materials in a timely manner to allow Board members to have sufficient time to review the relevant documents prior to meetings. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees, Management and other stakeholders.

The information of the Company Secretaries' qualification can be found in Corporate Information of this Annual Report and the functional accountabilities of the Company Secretaries are described in the Board Charter of the Company.

4. Supply of and Access to Information

The Chairman ensures that all Directors have full and unrestricted access to all information with Board papers 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 are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. The Board papers circulated include quarterly and annual financial statements, performance reports, minutes of meetings, updates from all the regulatory authorities, external and internal audit reports. All matters requiring Board's approval are also circulated prior to the Board meeting. These Board papers are issued at least five (5) days in advance to enable the Directors to obtain further explanation from the Management or the Company Secretary, where necessary, in order to be properly briefed before each meeting.

The MD leads the presentation and provides explanation on the papers 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. The 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.

II. Board Composition

1. Board Composition and Balance

The Board currently consists of seven (7) members, comprising two (2) Executive Directors and five (5) Non-Executive Directors of whom four (4) are Independent Directors. The composition of the Board complies with the Paragraph 15.02(1) of the MMLR of Bursa Securities and also the recommended Practice 5.2 of MCCG of having at least half of the Board comprising independent directors.

The Board consists of qualified and experienced businessmen and professionals. The presence of Independent Non-Executive Directors safeguards the interest of the stakeholders in ensuring that the highest standard of conduct and integrity are maintained. Their role is to ensure that any decision of the Board is deliberated fully and objectively with regard to the long-term interest of all stakeholders and mitigate any potential conflict of interest in relation to related party transactions. 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. A brief profile of each Director can be found in this Annual Report.

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

The Board recognises the importance of having Senior Independent Non-Executive Director to serve as a sounding board for the Chair and as an effective conduit for other Independent Directors to voice their concern. The Board has identified Mr Dominic Aw Kian-Wee, who is also the Chairman of the Nomination Committee as the Senior Independent Non-Executive Director of the Company.

The appointment of any additional Director will be made as and when it is deemed necessary by the existing Board upon recommendation from the Nomination Committee. There is no specific policy for nomination and/or appointment of candidates on the Board. The Board appoints its members through a formal and transparent selection process. The process has been reviewed, approved and adopted by the Board. Candidates will be considered and evaluated by the Nomination Committee based on competency, character, integrity, skills and experience without limiting to gender, age and ethnicity. The Nomination 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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *(Cont'd)*

II. Board Composition *(Cont'd)*

1. Board Composition and Balance *(Cont'd)*

In accordance with the Company's Constitution, all Directors who are 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 (1/3) of the remaining existing Directors are required to submit themselves for re-election by rotation at least once in every three (3) 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.

At the forthcoming AGM of the Company, Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon and Mr Dominic Aw Kian-Wee shall retire from office and be eligible for re-election pursuant to the Constitution of the Company. Their profiles are set out in the section on Directors' Profile of this Annual Report.

During the financial year, the Nomination Committee assisted the Board in its annual assessment of the effectiveness of the Board as a whole, Board Committees as well as the contribution of each individual Director and assessment on the independence of the Independent Directors. The Nomination Committee also assisted the Board to review annually, the character, experience, integrity, competency and time commitment of the MD and the Chief Financial Officer ("CFO"). Arising from the recent amendments to the MMLR of Bursa Securities on 19 January 2022, the Company has adopted a Directors' Fit and Proper Policy for the Group on 27 June 2022, which is available on the Company's website.

The Board is aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended in the MCCG and twelve (12) years as mandated under MMLR. An independent director may continue to serve the Board if the independent director is re-designated as a non-independent non-executive director upon completion of nine (9) years tenure. If the Board intends to retain the Director as independent director after the Director has served a cumulative term of nine (9) years, the Board must justify the decision and seeks shareholders' approval at general meeting through two-tier voting process as prescribed under MCCG. An independent director who has served for a cumulative term of more than twelve (12) years must resign or be re-designated as a non-independent director.

The tenure of one (1) Independent Non-Executive Director of the Company, namely Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon, has exceeded for a cumulative term of more than nine (9) years as prescribed by Practice 5.3 of the MCCG. The Nomination Committee and the Board, after having assessed the independence of the said Independent Director, considered him to be independent and recommended for shareholders' approval on the retention of the said Independent Director at the forthcoming Annual General Meeting ("AGM") of the Company through two-tier voting process.

To facilitate the Board annual evaluation, a set of questionnaires is carried out on self and peer assessment basis which assessed the effectiveness of the Board as a whole, Board Committees, Chairman and individual Directors. For the year under review, the questionnaires were revised to reflect the latest corporate governance requirements. The Nomination Committee had on 27 June 2022 assessed the performance of the Board as a whole and its Board Committees for the financial year 2022. The results of the assessment were tabled to the Nomination Committee for review and comments which were subsequently briefed the Board. Based on the annual assessment conducted for the financial year 2022, the Board was satisfied with the current composition of the Board in providing a check and balance in the Board as well as diversity of background and specialisation to ease the Board's decision-making process. The Independent Directors have reaffirmed their independence in accordance with the criteria of independent directors as provided in the MMLR of Bursa Securities.

The Nomination Committee has also deliberations with the Board in assessing new skill sets/knowledge that may be required by the Board members, MD and CFO to meet the business goals. The Nomination Committee was satisfied with the performance and effectiveness of the Board and Board Committees. The results of the performance assessments and evaluation have been properly documented.

2. Directors' 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.

The Board ordinarily meets at least four (4) times in a financial year at quarterly intervals which are scheduled well in advance before end of the preceding financial year. An annual meeting calendar is prepared and circulated to the Directors before beginning of every financial year to facilitate the Directors in planning their meeting schedule. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as all the Directors had attended all the Board meetings held during the financial year ended 31 March 2022. Additional meetings convened where necessary to deal with urgent and important matters that require attention of the Board between the scheduled meetings.

During the financial year ended 31 March 2022, the Board met on six (6) 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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *(Cont'd)*

II. Board Composition *(Cont'd)*

2. Directors' Commitment *(Cont'd)*

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

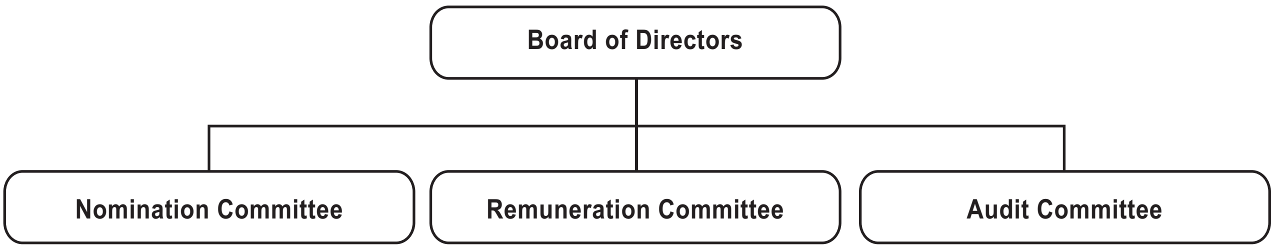
Details of the Board members' attendance at the Board meetings held during the financial year ended 31 March 2022 are as follows:-

Name	Attendance						Total	(%)
	25 May 2021	13 August 2021	21 September 2021	28 October 2021	26 January 2022	30 March 2022		
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon (Independent Non-Executive Director, Chairman)	✓	✓	✓	✓	✓	✓	6/6	100
Hiroaki Yano (Managing Director)	✓	✓	✓	✓	✓	✓	6/6	100
Ranko Kume (Executive Director)	✓	✓	✓	✓	✓	✓	6/6	100
Rin Nan Yoong (Non-Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6	100
Dominic Aw Kian-Wee (Senior Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6	100
Mastura binti Mansor (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6	100
Ab. Patah bin Mohd (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	6/6	100

The Directors are to devote sufficient time and effort to carry out their duties and responsibilities. It is also the Board's policy for Directors to notify the Chairman of the Board before accepting any new directorships notwithstanding that the Listing Requirements of Bursa Securities limit a Director to sit on the board of five (5) listed issuers. This is to obtain the commitment from Directors to perform his/her duties and responsibilities in the Company.

3. Delegation by the Board

In order to ensure that the Board's responsibilities are effectively discharged, the Board delegated specific responsibilities to the following Board Committees and each committee operates with its own terms of references that define its functions and responsibilities:-



The terms of references of each committee are available at the Company's website at www.perstima.com.my. These committees are formed in order to enhance business and operational efficiency as well as efficacy. The Board Committees meet independently and provide feedback to the Board through their Chairmen.

Each of the Chairmen of the Board Committees reports to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

In addition, minutes of all meetings of Board Committees are included in the Board packs and all Directors are given the opportunity to raise any concerns or questions arising from these minutes.

An overview of the functions, responsibilities and meeting attendance of each committee are as follows:-

Nomination Committee	Meeting Attended
Dominic Aw Kian-Wee – Chairman (Senior Independent Non-Executive Director)	1/1
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon – Member (Independent Non-Executive Director)	1/1
Mastura binti Mansor – Member (Independent Non-Executive Director)	1/1

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *(Cont'd)*

II. Board Composition *(Cont'd)*

3. Delegation by the Board *(Cont'd)*

Responsibility:-

- Recommends new suitable candidates to fill vacancies within the Board and its committees.
- Reviews annually on the required mix of skills and experience core competencies as well as character, experience, integrity, competency and time commitment of the Directors.
- Assists the Board in its annual assessment of the effectiveness of the Board as a whole and the Board Committees.

Remuneration Committee	Meeting Attended
Rin Nan Yoong – Chairman (Non-Independent Non-Executive Director)	1/1
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon – Member (Independent Non-Executive Director)	1/1
Dominic Aw Kian-Wee – Member (Independent Non-Executive Director)	1/1
Mastura binti Mansor – Member (Independent Non-Executive Director)	1/1

Responsibility:-

- Recommends to the Board the remuneration framework and remuneration package of the Executive Director and the Directors' fee of Non-Executive Directors.

Audit Committee	Meeting Attended
Mastura binti Mansor – Chairperson (Independent Non-Executive Director)	6/6
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon – Member (Independent Non-Executive Director)	6/6
Dominic Aw Kian-Wee – Member (Senior Independent Non-Executive Director)	6/6
Rin Nan Yoong – Member (Non-Independent Non-Executive Director)	6/6

Responsibility:-

- Assists the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions.
- Reviews any related party transactions and conflict of interest situation that may arise with the Company and the Group.

The details of the Audit Committee are set out in the Audit Committee Report of this Annual Report.

4. Continuing Education and Development

The Board will on a continuous basis via Nomination Committee to evaluate and determine the training needs of each Director, particularly on relevant new laws and regulations and practices from MCCG. Directors are encouraged to attend continuous professional development programmes to keep abreast with the new developments of the business environment and further enhance their skills and knowledge where relevant in order to discharge their duties and responsibilities effectively.

The Board will also through the Nomination Committee ensure that it recruits to the Board individuals of sufficient calibre, 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).

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *(Cont'd)*

II. Board Composition *(Cont'd)*

4. Continuing Education and Development *(Cont'd)*

The training programmes attended by the Directors during the financial year ended 31 March 2022 are tabulated as follows:-

Name of Director	Training Programmes Attended
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	• Anti-Bribery & Anti-Corruption (ABAC) on Section 17(A) by MACC • Board Knowledge Sharing Session on Behavioural Insights • Adapting to the New Normal-Lessons for the Board • Best Practice in Pension Design • ESG (PWC) Microsoft Training KL-Rising Cloud • Managing Cyber Risk in A Rapidly Evolving Threat Landscape • Private Equity training • What Matters in Customer Experience Transformations • Thought Leadership Session - Trust is the new currency • Transformational Leadership for Corporate Directors
Hiroaki Yano	• Transformational Leadership for Corporate Directors
Ranko Kume	• Transformational Leadership for Corporate Directors
Rin Nan Yoong	• Transformational Leadership for Corporate Directors
Dominic Aw Kian-Wee	• Human Rights Issues in business: Closing Gaps in Implementation and Reporting • Sustainability Reporting Workshops for Practitioners: Scope & Materiality in Sustainability Reporting 2021 • Transformational Leadership for Corporate Directors
Mastura binti Mansor	• Transformational Leadership for Corporate Directors
Ab. Patah bin Mohd	• Transformational Leadership for Corporate Directors
Ho Chun Foh *(Alternate Director to Rin Nan Yoong)*	• Transformational Leadership for Corporate Directors

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and update the Board on the same at the Board meetings. The External Auditors also briefed the Board members on any latest changes and new standards to the Malaysian Financial Reporting Standards relevant reporting standards that affect the Group's financial statements.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *(Cont'd)*

III. Remuneration

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 their 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 for the Directors for the financial year ended 31 March 2022 with categorisation into appropriate components is as follows:-

Group Level

Name of Directors	Fees (RM)	Salaries (RM)	Allowances (RM)	Benefits in Kind (RM)	Other Emoluments (RM)	Total (RM)
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	185,000	-	-	3,000	-	188,000
Hiroaki Yano	-	437,400	100,000	91,480	-	628,880
Ranko Kume	-	312,000	50,000	16,200	-	378,200
Rin Nan Yoong	85,000	-	-	3,000	-	88,000
Dominic Aw Kian-Wee	90,000	-	-	3,000	-	93,000
Mastura binti Mansor	95,000	-	-	3,000	-	98,000
Ab. Patah bin Mohd	50,000	-	-	3,000	-	53,000

Company Level

Name of Directors	Fees (RM)	Salaries (RM)	Allowances (RM)	Benefits in Kind (RM)	Other Emoluments (RM)	Total (RM)
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	185,000	-	-	3,000	-	188,000
Hiroaki Yano	-	437,400	100,000	91,480	-	628,880
Ranko Kume	-	312,000	50,000	16,200	-	378,200
Rin Nan Yoong	85,000	-	-	3,000	-	88,000
Dominic Aw Kian-Wee	90,000	-	-	3,000	-	93,000
Mastura binti Mansor	95,000	-	-	3,000	-	98,000
Ab. Patah bin Mohd	50,000	-	-	3,000	-	53,000

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee is led by Pn Mastura binti Mansor, assists the Board in its oversight of the Company's financial reporting, and in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions as well as reviewing any related party transactions and conflict of interest situations that may arise within the Group and the provision of non-audit services by the External Auditors.

The Board, through the Audit Committee, maintains a transparent and professional relationship with the Internal and External Auditors. The Audit Committee has been explicitly accorded the authority to communicate directly with both the Internal and External Auditors.

For the financial year ended 31 March 2022, the External Auditors provided independent and professional external auditing services to the Group and confirmed to the Audit Committee their independence in providing their services.

The Audit Committee is tasked to assess the suitability and independence of the External Auditors of the Group and the recommendation on their re-appointment at the forthcoming AGM and the approval of their audit fees.

The membership and composition of Audit Committee and summary of the activities carried out by the Audit Committee during the financial year ended 31 March 2022 are set out in the Audit Committee Report of this Annual Report.

The duties and responsibilities of the Audit Committee are set out in its Terms of Reference which is available at the Company's website at www.perstima.com.my.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT *(Cont'd)*

II. Risk Management and Internal Control Framework

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 is committed to implement an effective risk management framework which will allow management to identify, evaluate and manage risk with defined risk profiles.

The Board also 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. The results of the audits and recommendations for improvement were presented at the Audit Committee meetings.

Details of the Risk Management and Internal Control Framework put in place during the financial year ended 31 March 2022 are provided in the Statement on Risk Management and Internal Control of the Group in this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance of maintaining good relationship with both the shareholders and other stakeholders and will take the responsibility to always improve the communication with the shareholders and the stakeholders. As such, the Board is committed to disseminate all important information on the Group's performance and operations timely and adequately. Information is communicated through the following channels:-

(a) The Annual Report; and
(b) The various disclosures and announcements made to Bursa Securities including the quarterly results and annual results, which will also be posted on the Company's website at www.perstima.com.my.

The Board supports the use of information technology for the effective dissemination of information. The Company has established a website at www.perstima.com.my which has served as a useful reference source of information to shareholders, business partners and other stakeholders. In addition to publishing financial results, annual reports and business information, the website has dedicated Corporate Governance sections which include the Board Charter, Terms of Reference of Board Committees, Corporate Disclosure Policy and Procedure, Directors' Assessment Policy, Remuneration Policy, Code of Ethics and Standard of Conduct, Whistleblowing Policy, External Auditors Assessment Policy, Anti-Bribery and Corruption Policy Statement as well as Directors' Fit and Proper Policy.

II. Conduct of General Meetings

The 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 are encouraged to participate which 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.

In compliance with the announcement by the Prime Minister's Department on 28 May 2021 on the implementation of a 'total lockdown' beginning from 1 June 2021, the Company's Forty-Third ("43rd") AGM was held and conducted on fully virtual basis on 21 September 2021 through online meeting platform registered in Malaysia in accordance with Section 327 of the Companies Act 2016, Clause 66 of the Company's Constitution, the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers. All the Board members including CFO, Company Secretary, External Auditors and other key essential individuals were present at the preceding 43rd AGM remotely.

To encourage engagement between the Directors and shareholders, shareholders were also invited to send questions before the meeting to the website provided in relation to the agenda items for the 43rd AGM.

During the 43rd AGM, the questions raised by the shareholders during the AGM via messaging window were succinctly addressed by the Chairman and the MD.

All Directors and External Auditors will attend the upcoming AGM, which shall provide answers and clarifications to the shareholders. The shareholders provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company. The Chairman as well as the MD and the External Auditors, if so required, will respond to questions from shareholders at the AGM.

In line with the MMLR of Bursa Securities, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(Cont'd)*

II. Conduct of General Meetings *(Cont'd)*

For good corporate governance practice, the Notice of the 43rd AGM was circulated at least twenty-eight (28) clear days before the date of the meeting to enable shareholders to go through the Annual Report and circular supporting the resolutions proposed, which is in line with Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of MMLR of Bursa Securities and the MCCG. Notice of AGM was also published in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities to allow shareholders to have immediate access of the notice of AGM and make the necessary preparations for the AGM or to appoint proxy(ies) to vote on behalf of the respective shareholders.

The Company will continue to circulate Notice of AGM at least twenty-eight (28) days prior to the upcoming AGM to ensure shareholders have sufficient time to go through the Annual Report and circular supporting the resolutions proposed.

All the resolutions set out in the Notice of the previous AGM were put to vote by poll and duly passed. The outcome of the previous AGM was announced to Bursa Securities at the end of the meeting day while the Minutes of the previous AGM (including all the questions raised at the meeting and the answers thereto) were circulated to shareholders by publishing it on the Company's website after the conclusion of the AGM upon approved by the Board members.

The Board is mindful of the need to continually strengthen its governance practices and processes in identified key focus areas and future priorities as part of its forward-looking strategies. Key focus areas and future priorities that have been identified include tenure of Independent Directors, reorganisation of Board Committees and Board Succession Planning.

Other Disclosures

1. Material Contracts

As at 31 March 2022, save as disclosed below, there were no material contracts entered into by the Company involving Directors' and major shareholders' interests. JFE Shoji Corporation is a substantial shareholder of the Company and none of the Company's Directors have any interest in JFE Shoji Corporation:-

Date	Party	Nature	Total contract (RM'000)	Term	Contract outstanding (RM'000)
Feb and Mar 2022	JFE Shoji Corporation	Supply of Raw Materials	129,598	Cash	122,791

2. Contracts Relating to Loans

There were no contracts relating to loans by the Company which involved Directors' and Major Shareholders' interests.

3. Recurrent Related Party Transactions

The aggregate values of the transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2022 were as follows:-

Type of Transactions	Party & Relationship	Total (RM'000)
Purchase of raw materials	JFE Shoji Corporation, a substantial shareholder of the Company.	1,056,683
Purchase of raw materials, consumables & plant and equipment	JFE Materials and Machinery Corporation, a wholly-owned subsidiary of JFE Shoji Corporation.	6,046
Sale of tinplates	JFE Shoji Steel Malaysia Sdn. Bhd., an associate company of JFE Shoji Corporation.	3,779
Sale of tinplates	JFE Shoji Australia Pty., Ltd., a wholly-owned subsidiary of JFE Shoji Corporation.	718
Sale of tinplates	JFE Shoji India Pvt. Ltd., an associate company of JFE Shoji Corporation.	-
Sale of tinplates	Kawarin Enterprise Pte.Ltd., an associate company of JFE Shoji Corporation.	-

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

Other Disclosures *(Cont'd)*

4. Audit Fees and Non-Audit Fees

The amount of audit fees and non-audit fees incurred during the year to the External Auditors, Messrs KPMG PLT and its affiliates by the Company and its subsidiaries for the financial year ended 31 March 2022 are as follows:-

Type of fees	Group RM'000	Company RM'000
Audit fees	210	115
Non-audit fees	28	21

5. 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.

6. Utilisation of Proceeds

On 11 November 2020, the Company announced that the Corporate Exercises have been completed following the listing of and quotation of 19,860,944 Rights Shares and 9,930,472 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad. The details of the utilisation of total proceeds raised as at 31 March 2022 were as follows:-

Purpose	Proposed utilisation (RM'million)	Actual proceeds raised (RM'million)	Actual Utilisation (RM'million)	Intended timeframe for utilisations
Part of financing for electrolytic tinning and tin free steel production line for the manufacturing plant in the Philippines	54.800	54.800	54.800	Within 24 months
Purchase of raw materials	3.233	3.233	3.233	Within 24 months
Estimated expenses for the Corporate Exercises	1.550	1.550	1.550	Within 1 month
Total	**59.583**	**59.583**	**59.583**	

7. Employees' Share Option Scheme ("ESOS")

The Company did not implement any ESOS during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under the Companies Act 2016, the Directors on this Annual Report have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Company and the Group for the financial year ended 31 March 2022.

In the process of preparing these financial statements, and other than as disclosed in the notes to the financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently and appropriately applied throughout the year. In cases where judgment and estimates were made, they were based on reasonableness and prudence.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board dated 20 July 2022.

ABOUT THE REPORT

Approach To Reporting

This report highlights the major environmental and corporate social responsibility performance and sustainability achievements of Perusahaan Sadur Timah Malaysia (PERSTIMA) Berhad (“**the Group**”) based in Pasir Gudang, Johor, Malaysia. This report covers the reporting period from 1 April 2021 to 31 March 2022.

During the reporting period, PERSTIMA has no other nature of business except that reported. Data and statistics in this report are presented as absolute figures and are normalised into comparable terms as far as possible. Unless otherwise stated, data and statistics in this report covered the performance of PERSTIMA during the entire reporting period. Scope and boundary of the report are limited to the Pasir Gudang plant based in Johor, Malaysia (“PTM”) and Perstima (Vietnam) Co., Ltd (“PVCL”).

Reporting Principle

This report was prepared following the core option of the Global Reporting Initiative sustainability reporting standards (“**GRI Standards**”) and the sustainability reporting guide (“**ESG Guide**”) issued by the Bursa Malaysia Securities Berhad 2nd Edition. In addition, the Group has taken into account the concerns of stakeholders as identified through engagement exercises such as sustainability material matrix surveys and customer surveys from different stakeholder groups.

Who We Are

The Group principal business activities are in the production of high-quality prime grade Tin Plate and Tin-Free Steel. The Group has two plants outside Malaysia i.e., Perstima (Vietnam) Co., Ltd incorporated in 2002 and Perstima (Philippines), Inc incorporated in 2018.

The Group is ISO Certified with ISO 9001, and ISO 14001 and in the year 2002, the Group obtained its Halal Certification from Jabatan Kemajuan Islam Malaysia (JAKIM) and Japanese Industrial Standards (JIS) JIS 3303.

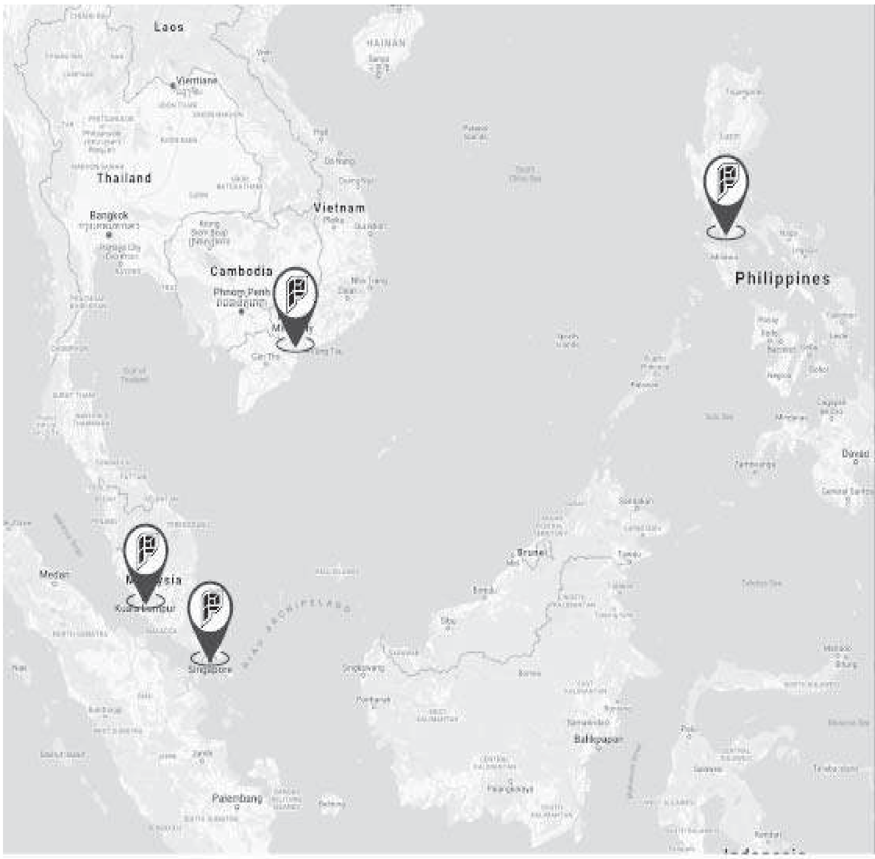
What We Produce

The principal activities of the Group are in the manufacturing and marketing of high-quality grade Tin Plate and Tin-Free Steel for both domestic and export markets. The Group is constantly improving products and services and hence strengthening our long-term relationships with partners and customers. Our products are used mainly in the food and beverage sector and are manufactured to the highest standards and certifications.

Where We Operate

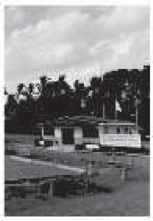
The Group operates from three locations with the production capacity as follows:-

PLANT LOCATION	PRODUCTION CAPACITY PER ANNUM (MT)
PASIR GUDANG, JOHOR, MALAYSIA	200,000
BINH DUONG PROVINCE, HCM, VIETNAM	120,000
MALVAR, BATANGAS, THE PHILIPPINES	200,000



Johor Head Office & Factory
PLO 255, Jalan Timah 3,
Kawasan Perindustrian Pasir Gudang,
81700, Pasir Gudang,
Johor, Malaysia.
Tel : +60-7-254 1200 / +60-7-251 4618

Kuala Lumpur Sales Office
Suite 27-01, 27th Floor, Menara Keck Seng,
No 203, Jalan Bukit Bintang,
55100, Kuala Lumpur, Malaysia.
Tel : +60-3-2148 2793 / +60-3-2148 4552
Email : sales@perstima.com.my



Philippines Office & Factory
Lot 1 Block 9 Mega Drive,
Light Industry & Science Park IV,
Special Economic Zone,
Brgy. San Fernando, Malvar Batangas,
4233 Philippines.
Email : mitzy.medalla@perstima.com.ph

Vietnam Office & Factory
No 15, VSIP Street 6,
Vietnam Singapore Industrial Park (VSIP),
Thuan An City,
Binh Duong Province, Vietnam.
Tel : +84-274–3 784090 / +84-274–3 782798
Email : sales@perstima.com.vn

Contact Information

The Group considers and carefully analyses feedback from stakeholders on the completeness, objectivity, and materiality information disclosed in its sustainability report, which helps improve our sustainability performance and non-financial reporting processes. We always welcome your suggestions about the Report.

Please send any questions and suggestions to:
Ranko Kume – Executive Director
Email : corporateinquiry@perstima.com.my

Stakeholders Engagement

Stakeholder Engagement and Materiality Assessment

A stakeholder is a party that has an interest in a company who can either affect or be affected by the business. During the financial year under review, Heads of Department/Division relied on formal channel of communication (such as Annual General Meeting, employees' performance appraisal, corrective action report, etc), supported by informal channels (such as meetings and face-to-face communication) to engage with the stakeholders.

Stakeholders are pivotal to the successful development of the sustainability plans and subsequent execution of it. Each has specific roles and responsibilities when it comes to the formulation of the sustainability plan.

Shareholders & Investors

Perstima strives to act in shareholder's best interest by establishing experienced management team and practising good corporate governance.

Employees

Employees are our greatest asset and our continuous training program makes our employees most sought after.

Customers

Perstima generates value for its domestic client by prioritising value- added products, offering better business terms and running a customer oriented business model.

Local Communities

Perstima believes that conducting business in a sustainable manner helps to promote regional prosperity where it operates and strives to create healthier, happier local communities by sponsoring social and economic development programmes.

Government & Regulations

Perstima pays its taxes to the Government of Malaysia to support economic development.

Industry Associations

Perstima cooperates and supports various industry organisations through joint initiatives and proactively participates in conferences and forums.

Suppliers & Contractors

Perstima honours its position as a vital purchaser of raw materials and services by fostering the advancement of its supplier's industries and running fair, transparent tenders.

Media

Perstima proactive engagement with the media boosts the quality and transparency of information about the Group.

Stakeholders Engagement (cont'd)

Stakeholder Engagement and Materiality Assessment (cont'd)

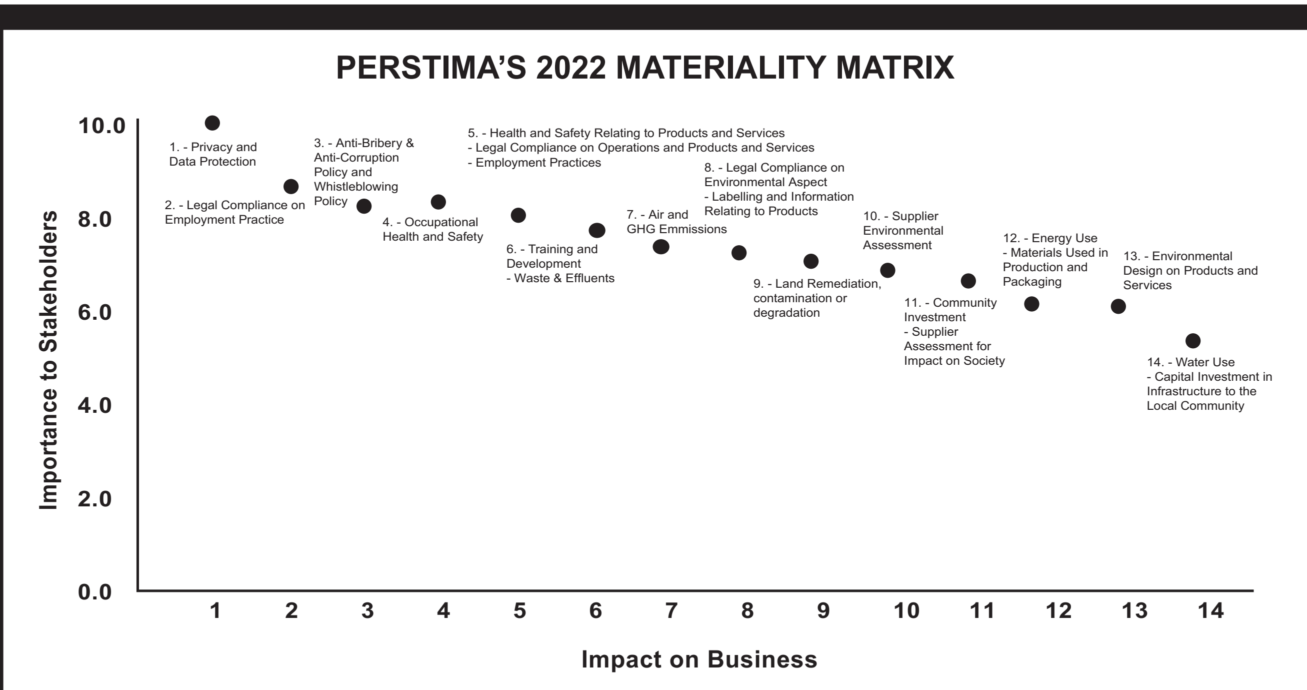
Below are the stakeholders identified, their engagement objectives and types of engagements.

Our business relies on partnerships and working with a range of stakeholders. Our stakeholder engagement, including topics of concern and management of issues, are listed below.

Stakeholders	Expectations and concerns	Communication Channels
Government and regulatory authorities	- Compliance with laws and regulations - Support economic development	- Supervision on complying with local laws and regulations - Routing reports and taxes paid
Shareholders and investors	- Return on investments - Corporate governance - Business compliance	- Regular reports and announcements - Regular general meetings - Official website
Employees	- Employees' compensation and benefits - Career development - Health and safety working environment	- Performance reviews - Regular meetings and trainings - Emails, notice boards, hotline, caring activities with management
Customers	- High quality products and services - Protect the rights of customers	- Customer satisfaction survey - Face-to-face meetings and on-site visits - Customer service hotline and email
Suppliers	- Fair and open procurement - Maintaining long-term relationship	- Open tendering - Suppliers' satisfaction assessment - Face-to-face meetings and on-site visits - Industry seminars
Local Communities	- Involvement in communities - Business compliance - Environmental protection awareness	- Media conferences and responses to enquiries - Public welfare activities

Identification of Material Topics

Based on the survey results and the materiality assessment conducted this year, the Group reviewed and validated the material topics to ensure a consistent and balanced representation of the Group's significant sustainability performance and impacts. As a result, the following material topics have been prioritised for disclosure in the report with the corresponding boundaries specified.



Identification of Material Topics (cont'd)

Material Matrix	PERSTIMA (PTM)	PERSTIMA (PVCL)
Environment		
Air and Greenhouse Emission	X	X
Waste and Effluent	X	X
Water	X	X
Energy Usage	X	X
Environmental Design on Product and Services	X	X
Legal Compliance Environmental Aspects	X	X
Supplier Environment Assessment	X	X
Material Used in production and packing	X	X
Social		
Employment Practices	X	X
Occupational Health and Safety	X	X
Training and Development	X	X
Legal Compliance on Employment Practices	X	X
Anti-Corruption and Whistleblowing Practices	X	X
Health and Safety Product and Service	X	X
Privacy Data and Protection	X	X
Legal information relating to Product and Services	X	X
Legal Compliance on Operation and Product and Services	X	X

The engagement activities provided the Company with constructive comments and suggestions. The Group appreciates the valuable feedback and will strive to address the expectations through continuous improvements.

Corporate Governance Structure

The Group aims to be a corporate who is trusted by society, committing to compliance with laws and regulations, highly transparent governance, respectful towards human rights, health and safety, social contribution and environmental preservation. The Group has adopted an integrated management approach to guide the sustainable development of the Group based on the principles of integrity, equity and transparency.

In order to carry out a sustainable strategy from top to bottom, the Board of Directors (the "Board") are responsible for ensuring effectiveness of the Group's environmental, social and governance policies. The Board has established a dedicated sustainability team to manage sustainability matters within each business division in the Group. The Board of Directors ("**Board**") of the Group, as the highest governance body is responsible for promoting the long term development of the Group and for growing shareholder value.

Sustainability committee is also committed to review and adjust the Group's sustainability policies to satisfy the ever-changing needs of its stakeholders. Managing Director has been assigned to enforce and supervise the implementation of the relevant policies into business practices. The Group believes that sustainability is essential to the long-term development of the Group.

The overall strategic planning and accountability for the Group's sustainable development rests with the Board, which determines the sustainability strategy and oversees its progress across the Company. Under the oversight of the Board, the Managing Director, supported by his management team acts as the bridge between the Group and each subsidiary in driving sustainable initiatives throughout the operations, including safety, environment protection, staff welfare, community engagement and volunteering. The management team is responsible for optimising environmental performance, increasing staff awareness on corporate social responsibilities and sharing of best practice with the industry.

The Group's enterprise risk management uses consistent risk assessment criteria to provide a systematic approach to the timely identification and management of risk. Accurate and concise risk information is made available to assist management in decision-making and risk control by adopting risk treatments of cost-effectiveness and efficiency. Meanwhile, with enterprise risk management, the management monitor and review risk levels to ensure that the risk exposure remains within an acceptable level.

Anti-Bribery and Anti-Corruption Compliance

The Group is committed to conduct its business activities properly and lawfully and adhere to the anti-bribery and anti-corruption policy adopted by the Group on 28 May 2020. The Group adopted the T.R.U.S.T principles in which the Group strives to follow the Adequate Procedure Guidelines as mentioned in the Section 17A of the Malaysian Anti-Corruption Commission Act ("**Act**"). A copy of the anti-bribery and anti-corruption policy can be assessed on the company website here: https://bit.ly/Perstima_ABAC

The Group will continue to provide training and communication to all parties associated with the Group. The Group has not committed any offence under the Act. The Group will continue its due diligence on all of its operations for bribery and corruption to ensure the Group does not contravene the Act.

The Group would like to report there are no incidences of fraud or corruption cases within the financial reporting year.

Developing Our Employees

Management Approach

The Group recognises that the achievement and success it takes pride in would not be possible without the considerable efforts of the employees. For this reason, the Group works continuously in ensuring the effectiveness of the personnel management practices, including those relating to employee recruitment, retention, and education, increasing employee engagement, and developing internal social programmes. Besides, the Group takes measures to ensure equal rights and opportunities are provided to all our employees.

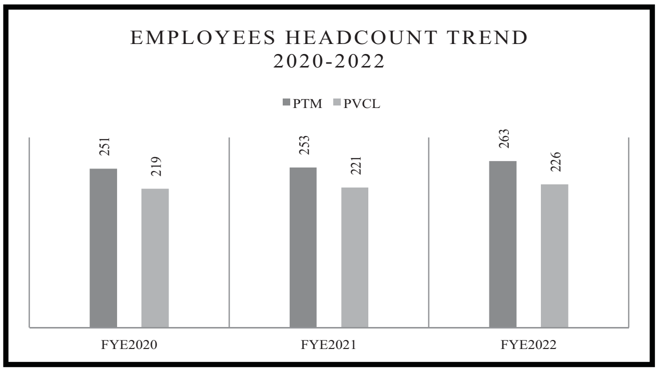
The management of human resources is formalised in the Code of Conduct and Human Resource Management policy, whereby acceptable requirements of fair treatment of legitimate employees are specified for strict compliance. No discrimination of gender (including acts of sexual harassment), sexual orientation, race, religion, ethnicity, nationality, age, political affiliation, marital/pregnant, and disabled status is allowed, and strict enforcement of no illegal activities and no child labour in the workplace.

The Group is committed to creating conducive working conditions and providing social security, safeguarding employee rights, and adhering to the principles of equality and non-discrimination.

All types of modern slavery and child labour are strictly prohibited and also apply to the suppliers of the Group. The Group is committed to conducting business ethically and requiring the suppliers to agree to the same ethical framework.

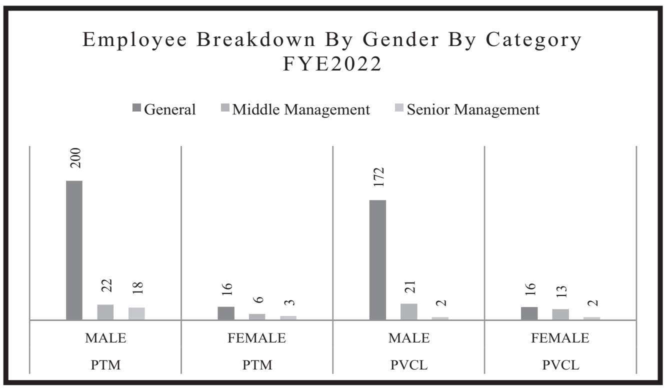
Our Employee – Our Asset

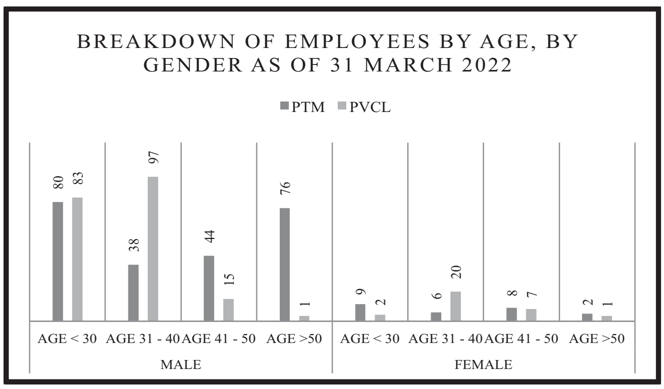
The Group places great importance on its employees. As of 31 March 2022, the Group has 263 employees at PTM and 226 employees at PVCL. The trend has been consistent as the Group executes careful planning, particularly in view of the just past pandemic.



68.5% of the total employees of the Group are below 40 of age. This provides the Group with a dynamic and invigorating workforce, and together with the experiences of the senior management and above, this will drive the Group to the next level with innovative and technologically advanced products for the industry.

All of the Group's employees are full-time permanent employees, and the Group does not employ any part-time employees. The Group provides opportunities for salary increments and reviews linked to performance.





The low percentage of women working in the Group is due to the hazardous working environment. The Group adheres to the current Guidelines on Reproductive Health Policy & Programme at the workplace issued by the Department of Occupational Safety and Health, under the Ministry of Human Resources. Women make up 11.2% of the Group employee population.

27.6% of the middle & senior management team are women. The Group is conscious of increasing the participation of women in the team.

Developing Our Employees (cont'd)

Motivation and Engagement

The Group recognises that factors such as employee engagement, financial and non-financial motivation, and working conditions largely determine operational efficiency. For this reason, the Group devotes special attention to these issues as part of the Group Human Resources ("HR") strategy.

Financial Motivation

The Group endeavours to make the remuneration system transparent and comprehensible for employees, as well as consistent with internal regulations and external competitiveness. Salary levels are determined based on the market range established for each grade and are reviewed annually.

The Group pays the remuneration according to prevailing industry market rates and draws reference to the minimum wage as stipulated by the Act 732 National Wages Consultative Council Act. The Group pays according to the act for non-executive levels.

Non-Financial Motivation

As a socially responsible company, the Group offers the employees broad non-financial compensation packages that are commensurate with the industry practices and form part of total remuneration. The employees receive medical leave, maternity leave, annual leave, group personal accident insurance for its outdoor sales and marketing personnel, and group director and officer liability insurance for all the directors, managerial and executive staff.

Social and Labour Conditions

We care for our employees' well-being. Thus, we believe it is important to provide them with conducive working and comfortable living conditions. At the onset of the COVID-19 pandemic, our Group took several initiatives to address employees concern about their well-being. The Group initiated the following COVID-19 measures to ensure minimal business interruption during the COVID-19 pandemic.

- Enforcement of work from home measures for management personnel.
- Providing the necessary tools for work from home.
- Suspension of employees' foreign business trip.
- Mandatory self-isolation at home for ten (10) days without loss of pay for employees identified close contacts with COVID-19 patients.
- Limitation of access and contact with external consultants and contractors to our Group's premises.
- Handling business remotely with the use of conference and video call systems.
- Supplying common areas with sanitisation and temperature checking.
- Regular disinfection of company's vehicles and premises.
- Installation of registry for contact tracing and remote temperature checks for all employees, visitors and contractors.
- Providing adequate personal protective equipment.
- Conducting multiple COVID-19 testings using RTK antigen and RT PCR Tests.

Currently, the Group has relaxed on movement restrictions, however we are still remaining vigilant by adhering to SOP such as wearing mask in enclosed areas and washing hands regularly, and being mindful of possible recurrence and its impact to the operations.

Child Labour

The Group does not employ children under the age of 18 and the Group ensures that it does not contravene the Children and Young Persons (Employment) Act 1966.

Human Rights

Our Group understands the importance of respecting human rights. The Group does not have a formal policy on human rights, however, it places the highest priority to ensure the detection and rectification of any human rights violations, and it devotes special attention to ensuring the diversity of personnel.

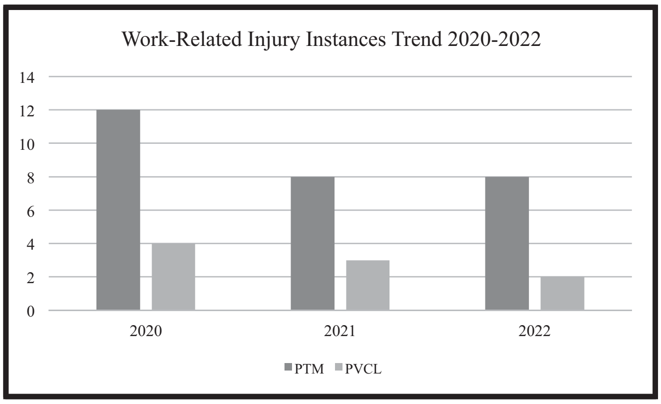
Our Group has not conducted any supplier assessment on its human rights accord, but will strive to do it in the next financial reporting year. All types of modern slavery, including child labour, forced labour, and human trafficking are violations of human rights and are strictly prohibited, both within the Group and on the part of our suppliers. The Group will continue to do its due diligence on its suppliers to ensure that they are strictly complying with the relevant act on matters pertaining to human trafficking.

Our Group is committed to adopting the Children and Young Person Act (Employment) 1966, Malaysia. The Group does not employ anyone under the age of 18 years due to the hazardous environment and the nature of business.

Work-Related Injuries and Ill-Health

During the financial reporting year, there were 8 cases of work-related accident which was categorised as a minor case, in PTM.

For PVCL, they were 2 cases of work-related accident which were categorised as minor case. There were no deaths due to occupational accident in either location.



As from the diagram above, work-related injury incidents have been reduced greatly for PTM from 2020-2021, maintained in year 2022. PVCL has reduced consistently from 2020-2022, halving the incident rate. Both locations shall strive to further reduce work related injuries.

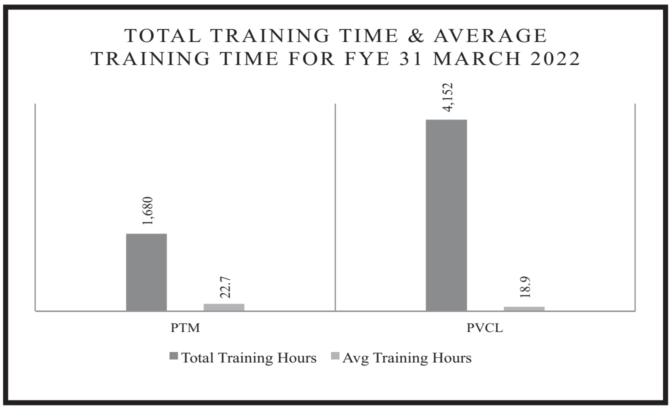
Developing Our Employees (cont'd)

Local Communities

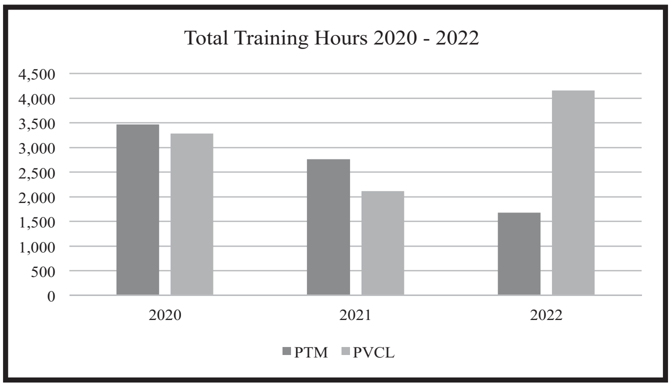
The Group works with local universities and colleges in inviting undergraduates to attend industrial trainings at the facilities and offices. Additionally, the Group offers management trainee positions to suitable candidates when they graduate.This can be a channel to vet for future leaders for the Group.

Learning, Training & Reskilling.

The Group believes that employees' personal development is important to the company's growth, as updated skills and knowledge can increase efficiency and productivity. The Group continuously seek to provide a variety of high-quality training and development programmes. In 2022, the Group develops its core competencies to provide reskilling for its employees and ensure all necessary skills are imparted to improve job satisfaction.



For PTM, the total training time was 1,680 hours and average training time per participating employee was 22.7 hours; As for PVCL, the total training hours recorded was 4,152 hours and on average, 18.9 hours per participating employee per annum in 2022. Occupational Health and Safety is also part of the training programme.



	PTM	PVCL
TOTAL TRAINING HOURS	1,680	4,152
AVERAGE TRAINING HOURS PER PARTICIPATING EMPLOYEE	22.7	18.9
TOTAL TRAINING INVESTMENT	RM62,510.00	RM16,793.00 or VND88,600,000.00

The Group places importance on staff knowledge and comprehensive training to all recruits in addition to refresher courses that promote safe working operations and the practice of safety-first culture. The Group also offers a series of training courses, remedial training and safety training as well as advanced First-aid training for all employees.

During the reporting period, the Group has conducted around 5,832 hours (2021:6,563 hours) of training for all levels including the production operators for both PTM and PVCL.

Boosting Energy Efficiency

Environment Management

As one of Southeast Asia's largest Tin Plate and Tin-Free Steel manufacturer, our Group recognises that continuous growth in its production capacities could create significant environmental challenges and obligations. To manage business operations responsibly, the Group has proposed the reduction of adverse environmental impacts to be of its primary goals. The Group's medium and long-term goals are to reduce the potential negative effects of our day-to-day activities to provide a safe environment in our place of business operations and surroundings.

We strive to comply with all applicable environmental regulations and to meet the expectations of our stakeholders.

According to our Health, Safety, and Environment (HSE), our Group will use appropriate technology to complement the complexity of today's environmental practices. During the reporting period, the Group has not received any penalty for non-compliance with environmental breaches.

It is forbidden to burn or dump production and consumption waste outside designated areas.

It is forbidden to shut down environmental control systems without proper authorisation and notifications

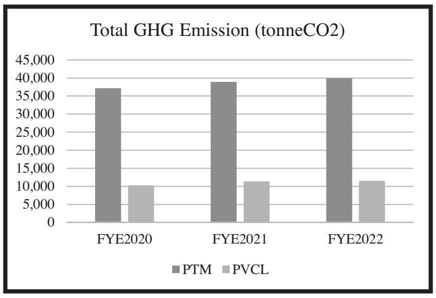
It is forbidden to discharge any chemicals (oils, acids and other liquid products) which are prohibited to the sewage system and on the ground

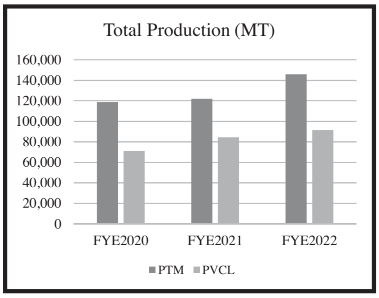
Environmental Strategy

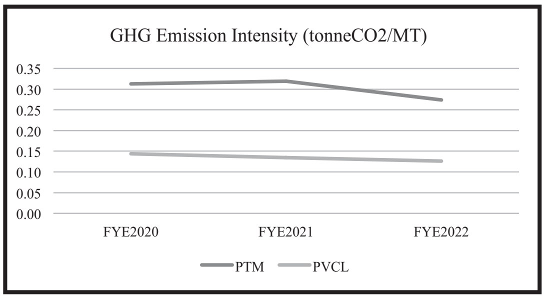
The Group environment committee has developed several steps to address key environmental issues. The Group is committed to developing sustainable business practices and implementing environmental principles into each of our business operations, hence positively contributing towards climate change.

Boosting Energy Efficiency (cont'd)

Air Emissions







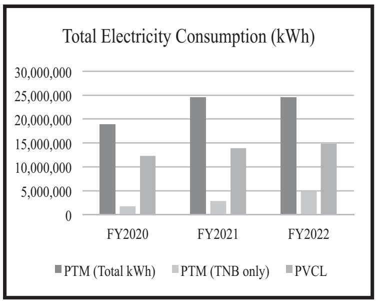
Overall, on GHG (Green House Gases) Intensity, we can see a reduction of 15.6% in FYE2022, when compared to FYE2021 for PTM. Whereas for PVCL, there was no significant changes in FYE2022, when compared to FYE2021.

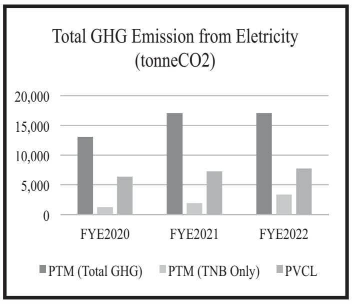
From here we can conclude that while the production tonnage for both site PTM & PVCL has increased from FYE2020 to FYE2022, at an average of 22.6% and 28.3% respectively, there is a decrease of 15.6% for the GHG Emission Intensity for PTM, from FYE2021 to FYE2022; whereas there is no change for PVCL during the same period, at 0.13.

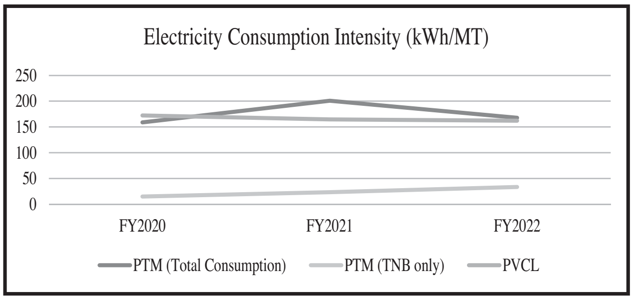
The Group did not record the air emission as the production line emissions are minimal. The Group has not received any fines or warnings related to air and greenhouse emissions.

The Group participates in environmental monitoring programmes and ensures the Total Suspended Particulate (TSP) in the ambient air complies with Recommended Malaysian Air Quality Guidelines (RMG). The Group engages external parties to produce a report to submit to Malaysia government body Jabatan Alam Sekitar (JAS) on a yearly basis. PVCL deployed similar practices to ensure air quality stays within approved standards set by local authority. PVCL engaged licensed third party vendor to conduct yearly test.

The carbon emissions from fuel (petrol and diesel) presented for Malaysia were calculated through http://greentechmalaysia.my/carboncalculator/process.php. The carbon emissions from electricity presented for Vietnam was calculated with an emissions factor of 521KgCO2/1000kWh, Pg 9 (https://www.climate-transparency.org/wp-content/uploads/2021/11/Vietnam-CP2020.pdf) For natural gas GHG calculation for Malaysia & Vietnam, this tool is used: https://tools.genless.govt.nz/businesses/wood-energy-calculators/co2-emission-calculator/



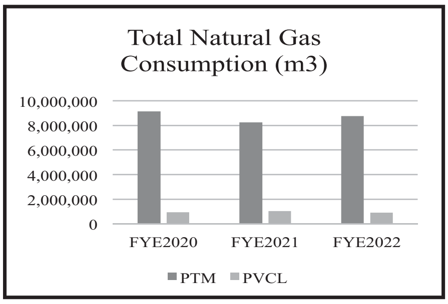


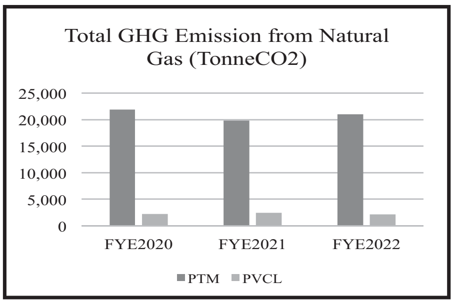


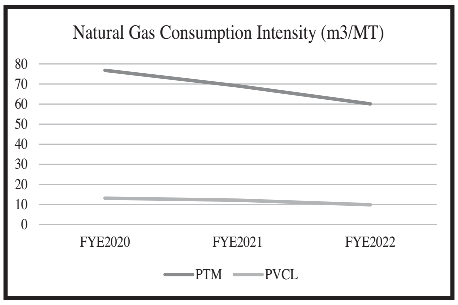
In FYE2022, PTM consumed 24,533,620 kWh of electricity in the production process, a 0.06% decrease compared to FYE2021 (24,548,478 kWh); for PVCL, a total of 14,840,419 kWh was consumed, a slight increase of 6.5% increase compared to the previous year.

For PVCL, the slight increase in electricity consumption only decreases the intensity by 1.6%

As PTM also use natural gas to generate electricity, there is a decrease of 16.4% in electrical consumption intensity, when taken into consideration the TOTAL kilowatt hours used from both TNB source & from COGEN, from FYE2021 to FYE2022. PVCL do not use natural gas to generate electricity.





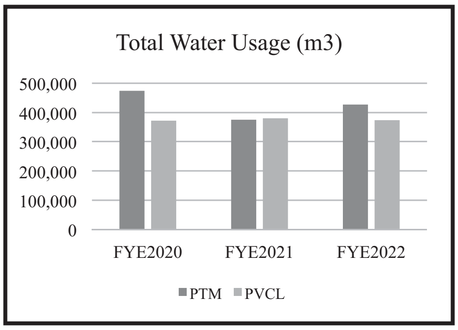


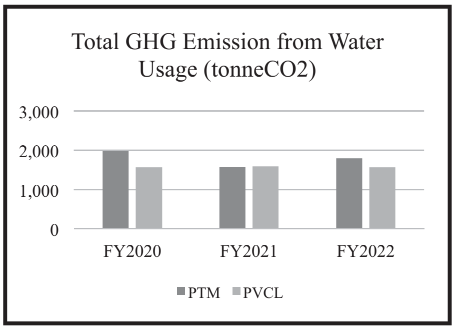
In FYE2022, PTM consumed 8,765,958 m3 of natural gas in the production process, and generated 21,042 TonneCO2; In PVCL, total amount of natural gas consumed was 899,707 m3 and 2,160 TonneCO2 was generated.

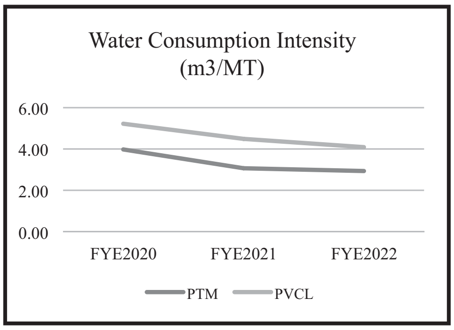
The Natural Gas Consumption Intensity for PVCL improved by 19.3% from FYE2021 to FYE2022; for PTM, the intensity improved by 12.9%, from FYE2021 to FYE2022.

Boosting Energy Efficiency (cont'd)

Water Usage







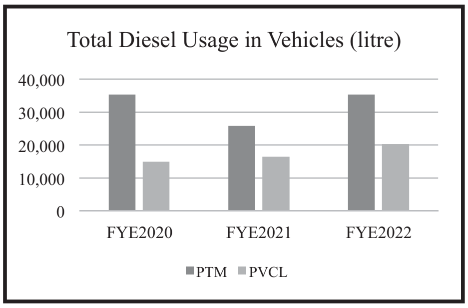
This industry is water-intensive due to the processes required for high-quality prime grade Tin Plate and Tin-Free Steel. Analysing our water usage will help us better strategize optimizing our water usage and be more sustainable to the environment.

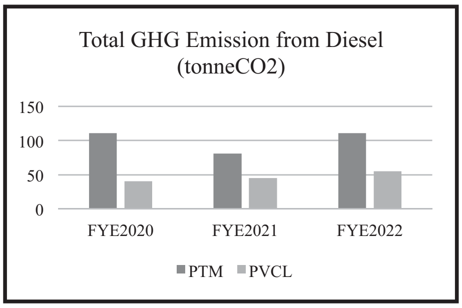
Water is supplied solely through local municipalities, from local water sources. Water consumption & GHG emissions for the Group's manufacturing operations are presented in the charts above.

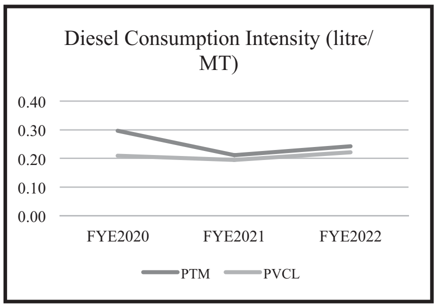
From FYE2020-FYE2022, PTM used about 1,277,310 cubic meter of water and generated about 5,351.93 tonneCO2; whereas PVCL used about 1,125,306 cubic meter of water and generated about 4,715.03 tonneCO2 during the reporting period.

Water Consumption Intensity (m3/MT) for PTM improved 26.5% from FYE2020 to FYE2022; whereas for PVCL, it also improved 21.7% from FYE2020 to FYE2022.

Diesel Usage & GHG Emissions







Diesel is used mainly for forklifts in the plants. PTM used about 35,371 litres of diesel in the reporting period; and PVCL used about 20,300 litres of diesel. Each produced about 110.95 TonneCO2 and 55.22 TonneCO2 respectively.

Diesel consumption intensity for PTM improved by 20.0% from FYE2020 to FYE2022; whereas for PVCL, there was an increase of 4.8% in the same period.

Malaysia is a signatory party to both the Kyoto Protocol (12 March 1999) and the Paris Agreement (22 April 2016) (Retrieved from United Nation Climate Change, https://unfccc.int/node/61107). Malaysia Intended Nationally Determined Contribution of the Government of Malaysia (INDC, Malaysia) will reduce CO2 emission unconditionally by 35% and a further 10% is a condition upon receipt of climate finance, technology transfer and capacity building from developed countries. In supporting Malaysia achieve its climate change goals, the Group will do its part to reduce its CO2 emission.

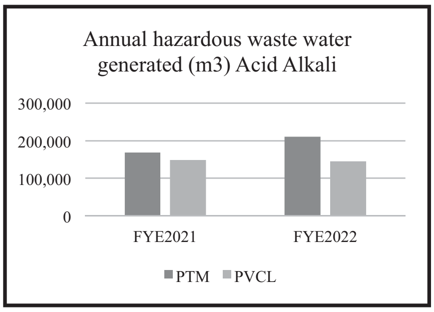
Effluents – Wastewater

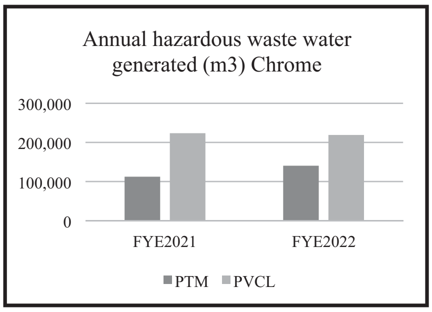
Hazardous wastewater is generated from the Electrolytic Tinning Line ("ETL") process when chemicals are added into the production. To address this, the Group has wastewater treatment facilities to process and convert wastewater into an effluent that can be returned into the water cycle according to local council regulation standards.

Boosting Energy Efficiency (cont'd)

Effluents – Wastewater (cont'd)

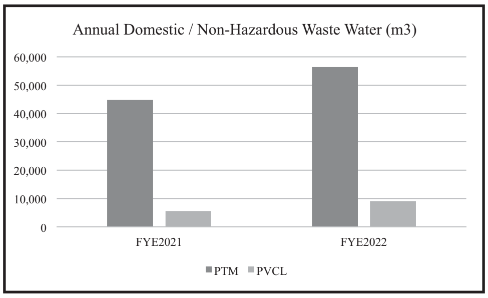
In addition, the Group has a laboratory specifically for testing the wastewater process on a daily basis and further precautionary measures are taken by hiring an external party to ensure the processed wastewater returned to the water cycle does not exceed the standards determined by the Department of Environmental (DOE) on a monthly basis. Annual hazardous wastewater generated by the Group in 2021 – 2022 is as below:





		FYE2021		FYE2022	
	Unit	PTM	PVCL	PTM	PVCL
Acid Alkaline	m3	168,971	149,513	210,997	145,952
Chrome	m3	112,647	224,269	140,664	218,928

Non-hazardous wastewater was generated concurrently with the hazardous wastewater. The quantity generated was slightly higher when compared to hazardous wastewater. Domestic or non-hazardous wastewater is treated by the Group's water treatment plant, the generated quantity in the 2021 –2022 is as below:



	FYE2021	FYE2022
PTM	44,751	56,347
PVCL	5,564	9,035

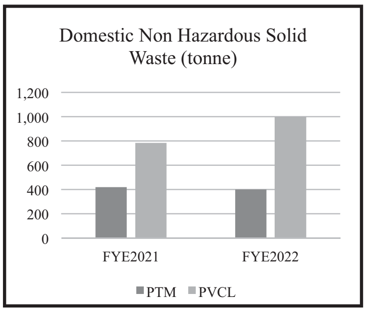
Solid Wastes

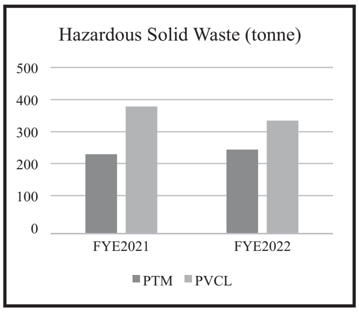
The main hazardous solid wastes produced consists of metal hydroxide, used oil, used resin, sum pit sludge, plater sludge, tin dross, red sludge, blue sludge, chemical container by bag, chemical container by metal, chemical container by plastic, chemical container by other material, and cloth (glove or rag) with oil or grease. All hazardous wastes are disposed of by contractors who are certified by the DOE. These hazardous solid wastes are mainly produced during the process of manufacturing Tin Plate and Tin-Free Steel.

The non-hazardous solid wastes are mainly leftover metal, wood and paper generated during the manufacturing of Tin Plate and Tin-Free Steel. The Group actively reuses wooden skids, and recycles parts as packing material when they are no longer viable as skids. Reduction in the usage of wood will result in a reduction in the number of trees chopped. Metal packaging material is collected and reformed, reused as further packing material. Paper is segregated and collected for appropriate recycling.

Domestic and non-hazardous solid wastes and hazardous solid wastes in 2021 –2022 by the Group's major components are as below:

	FYE2021	FYE2022
PTM	418	400
PVCL	783	1,001





	FYE2021	FYE2022
PTM	240	254
PVCL	385	343

The Group recognises the potential environmental impact from the production of Tin Plate and Tin-Free Steel processes and are committed to mitigating and minimising these impact in the following ways.

1. Preventing pollution and continually improving environmental performance;
2. Conserving resources by reducing waste at source, and recycling and reusing resources;
3. Enhancing staff environmental awareness by providing training concerning the potential environmental impacts arising from the operations;
4. Responding to environmental enquiries from stakeholders promptly and ensuring effective communication internally; and
5. Ensuring compliance with all applicable local environmental by-laws and other relevant requirements.

GRI Index Table

This sustainability disclosure has been prepared in accordance with the GRI Standards: Core option.

GRI Standards	Description	Reference Section	Page number in report
GRI 102 General disclosures			
1. Organisational profile			
GRI 102–1	Name of the organisation	Who we are	22
GRI 102–2	Activities, brands, products, and services	What we produce	23
GRI 102–3	Location of headquarters	Corporate Profile	
GRI 102–4	Location of operations	Where we operate	23
GRI 102–5	Ownership and legal form		
GRI 102–7	Scale of the organisation	Where we operate	23
GRI 102–8	Information on employees and other workers	Full time Employees	27
2. Governance			
GRI 102–18	Governance structure	Corporate Governance Structure	26
3. Stakeholder engagement			
GRI 102–40	List of stakeholder groups	Stakeholder engagement	24
GRI 102–41	Collective bargaining agreements	Social policy	25
GRI 102–42	Identifying and selecting stakeholders	Stakeholder engagement	25
GRI 102–43	Approach to stakeholder engagement	Communication Channels & mechanism	25
6. Reporting practice			
GRI 102–45	Entities included in the consolidated financial statements	Assets included in the Report boundaries	23
GRI 102–46	Defining report content and topic boundaries	About this Report	22
GRI 102–47	List of material topics	Identification of material topics	25
GRI 102-50	Reporting Period	Approach to Reporting	22
GRI 102–52	Reporting cycle	Approach to reporting,	
GRI 102–53	Contact point for questions regarding the report	Contact Information	23
GRI 102–54	Claims of reporting in accordance with the GRI Standards	Reporting Principle	22
GRI 102–55	GRI content index	GRI Content Index	33
GRI 202 Market presence			
GRI 202–1	Ratios of standard entry-level wage by gender compared to local minimum wage	Motivation and engagement	28
GRI 205 Anti-corruption			
GRI 205-1	Operations assessed for risks related to corruption	Anti-Bribery & Anti-Corruption Compliance	26
GRI 205–2	Communication and training about anti-corruption policies and procedures	Anti-Bribery & Anti-Corruption Compliance	26
GRI 205–3	Confirmed incidents of corruption and actions taken	Anti-Bribery & Anti-Corruption Compliance	26

GRI Index Table (cont'd)

GRI 300 Environmental			
GRI 302 Energy			
GRI 302–1	Energy consumption within the organisation	Boosting energy efficiency	29
GRI 302-3	Energy intensity	Environmental Strategy	29
GRI 303–3	Water withdrawal	Water Usage	31
GRI 303–4	Water discharge	Water Usage	31
GRI 303–5	Water consumption	Water Usage	31
GRI 305 Emissions			
GRI 305–4	GHG emissions intensity	Air Emission	30
GRI 305–5	Reduction of GHG emiss ions	Air Emission	30
GRI 306 Effluents and waste			
		Waste stewardship,	
GRI 306–2	Waste by type and disposal method	Effluents – wastewater	31
GRI Indicator	**Disclosure**	**Page number (or link)**	**Comments/ Omissions**
GRI 400 Social			
GRI 401 Employment			
GRI 103	Management Approach	Management approach,	27
GRI 401–1	New employee hires and employee turnover	Developing Our Employees	27
GRI 403 Occupational health and safety			
GRI 403–2	Hazard identification, risk assessment, and incident investigation	Work Related Injuries & Ill-Health	28
GRI 404 Training and education			
GRI 103	Management Approach	Learning and development	29
GRI 404–1	Average hours of training per year per employee	Learning, Training & Reskilling	29
GRI 405 Diversity and equal opportunity			
GRI 405–1	Diversity of governance bodies and employees	Our Employee – Our asset	27
GRI 408 Operations and suppliers at significant risk for incidents of child labour			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Child Labour	28
GRI 413 Local communities			
GRI 413–1	Operations with local community engagement, impact assessments, and development programmes	Local Communities	29

Data Table

April 2019 - March 2020

	Unit	PTM	GHG (tonne CO2)	PVCL	GHG (tonne CO2)
Natural Gas	m3	9,135,454.00	21,928.46	934,849.00	2,243.98
Electricity	kWh	1,781,283.00	1,236.21	12,290,191.00	6,403.19
Electricity (COGEN)	kWh	17,132,710.00	11,890.10		
Water	m3	474,291.00	1,987.28	372,015.00	1,558.74
Diesel (Vehicles)	litre	35,269.00	110.63	14,915.00	40.57
Total GHG	tonne CO2		37,152.68		10,246.48
Production tonnage	MT	118,977.16		71,288.20	

April 2020 - March 2021

	Unit	PTM	GHG (tonne CO2)	PVCL	GHG (tonne CO2)
Natural Gas	m3	8,423,334.00	20,219.11	1,028,792.00	2,469.48
Electricity	kWh	2,852,478	1,979.62	13,925,264.00	7,255.06
Electricity (COGEN)	kWh	21,696,000.00	15,057.02		
Water	m3	375,760.00	1,574.43	379,376.00	1,589.59
Diesel (Vehicles)	litre	25,775.00	80.85	16,440.00	44.72
Total GHG	tonne CO2		38,487.58		11,358.85
Production tonnage	MT	121,980.23		84,456.87	

April 2021 - March 2022

	Unit	PTM	GHG (tonne CO2)	PVCL	GHG (tonne CO2)
Natural Gas	m3	8,765,958.00	21,041.54	899,707.00	2,159.63
Electricity	kWh	4,888,908.00	3,392.90	14,840,419.00	7,731.86
Electricity (COGEN)	kWh	19,644,712.00	13,633.43		
Water	m3	427,259.00	1,790.22	373,915.00	1,566.70
Diesel (Vehicles)	litre	35,371.00	110.95	20,300.00	55.22
Total GHG	tonne CO2		39,969.04		11,513.41
Production tonnage	MT	145,893.80		91,496.50	

Data Table

		FY2020		FY2021		FY2022	
	Unit	PTM	PVCL	PTM	PVCL	PTM	PVCL
Electricity Consumption Intensity	kWh/MT	14.97	172.40	23.38	164.88	33.51	162.20
Total Electricity Consumption Intensity (PTM)	kWh/MT	158.97		201.25		168.16	
GHG Emission Intensity	tonneCO2/MT	0.31	0.14	0.32	0.13	0.27	0.13
Natural Gas Consumption Intensity	m3/MT	76.78	13.11	69.05	12.18	60.08	9.83
Water Consumption Intensity	m3/MT	3.99	5.22	3.08	4.49	2.93	4.09
Diesel Consumption Intensity	litre/MT	0.30	0.21	0.21	0.19	0.24	0.22

Legal Disclaimer

This Sustainability Statement contains forward-looking statements concerning the financial condition, results of operations and businesses of the Group. All statements other than statements of historical fact are, or may be deemed to be forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in future. They are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside the Group's control. These include changes in the political, social and regulatory framework in which the Group will operate or in economic, technological trends or conditions; the success of the business and operating initiatives; the actions of regulators; legislative, fiscal and regulatory developments, including regulatory measures addressing climate change; the behaviour of other market participants; competitive product and pricing pressures; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations; changes in the level of capital investment; the impact of any acquisitions, disposals or similar transactions; the outcome of any litigation; the risk of doing business in countries subject to international sanctions; environmental and physical risks; risks associated with the impact of pandemics. Other unknown or unpredictable factors could cause actual results and developments to differ materially from those in forward-looking statements.

Neither the Group nor any of its subsidiaries, provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Report will occur. Neither the Group nor any of its subsidiaries, undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. Each forward-looking statement speaks only as of the date of this report, i.e., 20 July 2022.

In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this report. No materials contained in this Report constitute an offer, solicitation or recommendation to purchase or sell securities, or make investments. Readers should not place undue reliance on forward-looking statements.

The Board of Directors ("Board") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("the Company" or "Persitma") is pleased to present the report of Audit Committee for the financial year ended 31 March 2022.

AUDIT COMMITTEE MEMBERS

The Audit Committee currently consists of four (4) members, all of whom are Non-Executive Directors, with majority of Independent Directors. All members of Audit Committee are financial literate, and they are able to understand matters under the purview of the Audit Committee including the financial reporting process to effectively discharge their duties and responsibilities as members of the Audit Committee. Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon is a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. The Audit Committee therefore meets the requirements of Paragraphs 15.09(1)(b) and (c) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

Further information of the members of the Audit Committee is set out in the Directors' Profile of this Annual Report.

The Audit Committee met six (6) times during the financial year ended 31 March 2022 and the attendance record is tabulated as follows:-

Member	Designation	Attendance						Total
		25 May 2021	13 August 2021	21 September 2021	28 October 2021	26 January 2022	30 March 2022	
Mastura binti Mansor (Chairperson of Audit Committee)	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6/6
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6/6
Dominic Aw Kian-Wee	Senior Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6/6
Rin Nan Yoong	Non-Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6/6
Total Attendance		6/6	6/6	6/6	6/6	6/6	6/6	

AUTHORITY

The Audit Committee shall have authority to investigate any matter within its terms of reference.

The Audit Committee is authorised to seek any information it requires from employees, who are required to co-operate with any request made by the Audit Committee, and it shall have full and unrestricted to any information pertaining to the Company and the Group.

The Audit Committee shall have direct communication channels with the internal and external auditors and with management of the Group and shall be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of Executive Directors, management and employees of the Company, whenever deemed necessary.

The Audit Committee shall have the resources that are required to perform its duties. The Audit Committee shall be able to obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary.

Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR of Bursa Securities, the Audit Committee shall promptly report such matter to Bursa Securities.

ROLE AND RESPONSIBILITY AND DUTIES

The Audit Committee is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions. The Audit Committee also reviews related party transactions, if any and conflict of interest situations that arise within the Group.

A detailed terms of reference of the Audit Committee has been drawn up and approved by the Board and it is available on the Company's website at www.perstima.com.my pursuant to Paragraph 15.11 of the MMLR. The terms of reference of the Audit Committee is reviewed regularly. Any revisions or amendments shall form part of terms of reference and shall be considered duly revised or amended.

The Chairperson of the Audit Committee shall engage on a continuous basis with management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

REVIEW OF THE PERFORMANCE OF THE AUDIT COMMITTEE

The Board through its Nomination Committee had performed an annual review and assessment of the term of office and performance of the Audit Committee to assess the Audit Committee's effectiveness in carrying out its duties as set out in the terms of reference. The Board was satisfied that the Audit Committee has effectively discharged its duties in accordance with the terms of reference for the financial year under review.

SUMMARY OF WORKS OF THE AUDIT 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 2022 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 thereto.

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 on 25 May 2021 and 13 August 2021 without the presence of the Executive Board members and Management.

e) Reviewed the draft audited financial statements of the Company prior to submission to the Board for its consideration and approval. The review was to ensure that the financial statements were properly drawn up in accordance with the provisions of the Companies Act 2016 and the applicable accounting standards approved by the regulatory authorities.

f) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Management.

g) 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.

h) Updated and advised the Board on the latest changes and pronouncements that may be issued by the accountancy, statutory and regulatory bodies.

i) Reported to and updated the Board on significant issues and concerns discussed during the meetings and where appropriate made the necessary recommendations to the Board.

j) Reviewed and recommended to the Board the following for approval and inclusion in the Company's Annual Report:-
   - Audit Committee Report;
   - Statement on Risk Management and Internal Control; and
   - Corporate Governance Overview Statement.

k) Reviewed performance of external auditors and recommended to the Board for re-appointment.

l) 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.

m) Reviewed the internal audit programme and plan for the year under review.

n) Reviewed the internal audit reports and actions taken by the Management to improve on the internal controls system.

o) The Audit Committee agreed that the private session with the internal auditors was not required to be conducted during the financial year as there were no other major issues requiring its attention apart from those highlighted in the internal audit reports.

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 by the Audit Committee will be directed by the Board.

For financial year ended 31 March 2022, the internal audit team had revised the three (3) years risk-based internal audit plan to support the execution of internal control reviews based on the risk profile established by the Group Risk Management Committee. An internal audit assignment in accordance with the Revised Audit Plan as approved by the Audit Committee covering the area of Procurement and Payable was completed by the internal audit team and the report had been presented to the Audit Committee for its review.

The cost incurred in outsourcing of the internal audit function to an independent professional firm during the financial year amounted to approximately RM22,000.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(PURSUANT TO PARA 15.27(b) OF REQUIREMENTS OF BURSA SECURITIES)

INTRODUCTION

The Board recognises the importance of a sound system of internal control to safeguard the Group's assets and to enhance shareholders' value. In compliance with Paragraph 15.26(b) of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board is pleased to provide the following statements, which outline the nature and scope of the risk management and internal control system in the Group for the financial year under review and up to the date of approval of this statement.

BOARD'S RESPONSIBILITIES

The Board acknowledges its responsibility for the Group to maintain and review the adequacy and integrity of the risk management and internal control system. As with any internal control system implemented, 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 the Group's business and corporate objectives.

RISK MANAGEMENT FRAMEWORK

The Board recognises the need for an effective risk management practice and to maintain a sound system of internal control. Hence, the Board has formalised 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.

RISK MANAGEMENT PROCESS

The risk management practice adopted provides a process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives.

Existing business processes are reassessed where the condition have changed significantly through the monthly management meeting. The new risks identified will be mitigated and incorporated into the business strategy. All new business projects and processes are scrutinised for risks and the impact on the Group prior to acceptance and implementation during the monthly management meeting. This allows for identification and evaluation of new risks. These risks will be managed once they are accepted in line with the Group's risk profile.

RISK ASSESSMENT REVIEWS

The Group has identified the key risk areas in the business operations. The risks are mitigated to reduce any impact that will potentially affect the Group significantly. The Group manages the risk through the following measures:

- Market Risks
  Competition in the market is constantly on the rise with competitive prices offered by other companies which would dilute the Group's market share and profit should the customers turn to these companies. To reduce this possibility, we manage through the following:

  - Adopts effective pricing strategy, cost improvement measures and enhancement of operation efficiency to remain competitive.
  - Provide volume discounts to achieve higher revenue.
  - Maintain optimum level of production and delivery lead time and reduce delay through coordination and close communication between sales and production department.
  - Strengthen customer relationship for loyalty establishment.

- Operational Risks
  These risks arise from manufacturing downtime due to the machine breakdowns, inadequate skilled workforce and fire. These risks are mitigated through the following:
  - Established structured preventative maintenance programmes for all the machines.
  - Introduce job rotation to ensure workers possess the necessary skills required.
  - Formulation of fire squad represented by various department.
  - Continuous upgrading programme for machinery.

- Covid 19 Pandemic
  These outbreak risks arise would adversely affect the Group's business and operation even though the restrictions lift in the transition to the endemic phase. These risks are mitigated through the following:
  - Established COVID-19 committee for timely control, monitor and report on the Group latest COVID-19 status on affected employee.
  - Increase employee awareness on COVID-19 preventions including registering and obtaining the vaccine and booster dose: and followed Standard Operating Procedures (SOP) laid out by Government.
  - Encourage online virtual meetings to reduce close contact exposures of visitors and employees.
  - Established work-from-home policy without interrupting daily job to curb the Covid 19 outbreak.

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.

(PURSUANT TO PARA 15.27(b) OF REQUIREMENTS OF BURSA SECURITIES)

INTERNAL AUDIT (cont'd)

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 programme, and revised plan and programme if any, and 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 on the implementation of action plans recommended to improve areas where control deficiencies identified during the internal audits.

The Audit Committee with the assistance of the internal auditors annually reviews the Group's system of internal control to address the related control weaknesses.

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.

Review by the External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
(b) is factually inaccurate

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the risk management and system of internal control are in place for the year under review and up to the date of the approval of this Statement for inclusion in the Annual Report and are sufficient to safeguard the Group's interest as well as its shareholders and stakeholders.

The Board has received assurance from the Managing Director and Executive Director that the Group's risks management and internal control system had been operating adequately and effectively in all material aspect for the financial year ended 31 March 2022 and up to the date of approval of this statement, based on the risk management and internal control system of the Group.

The Board of Directors
Perusahaan Sadur Timah Malaysia (PERSTIMA) Berhad

20 July 2022

DIRECTORS' REPORT

For the year ended 31 March 2022

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 2022.

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.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year	50,933	29,678

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 amount of dividends paid by the Company were as follows:

i) In respect of the financial year ended 31 March 2021:

- a final dividend of 20 sen per ordinary share totalling RM25,819,227 approved on 21 September 2021 and paid on 29 October 2021.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Directors	Alternate
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	
Mr. Hiroaki Yano	
Ms. Ranko Kume	
Mr. Rin Nan Yoong	Mr. Ho Chun Foh
Mr. Dominic Aw Kian-Wee	
Pn. Mastura binti Mansor	
En. Ab. Patah bin Mohd	

The names of the Directors of subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

For the year ended 31 March 2022

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			
Name of Directors	**Interest**	**At 1 April 2021**	**Bought**	**Sold**	**At 31 March 2022**
Company					
Mr. Rin Nan Yoong	Direct	57,200	--	--	57,200
	Deemed	42,402,806	--	--	42,402,806
En. Ab. Patah bin Mohd	Direct	100	--	--	100

By virtue of his substantial interests in the shares of the Company, Mr. Rin Nan Yoong is also deemed interested in the shares of the subsidiaries.

None of the other Directors holding office at 31 March 2022 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration 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 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.

Indemnity and insurance costs

There were no indemnity given to or insurance effected for any Director, officer or auditor of the Company during the financial year.

Qualification of subsidiaries' financial statements

The auditors' report on the audited financial statements of Company's subsidiaries did not contain any qualification or any adverse comments.

For the year ended 31 March 2022

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 2022 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, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 16 to the financial statements.

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

Hiroaki Yano
Director

Ranko Kume
Director

20 July 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Assets					
Property, plant and equipment	3	364,309	214,086	30,041	31,199
Right-of-use assets	4	19,073	20,266	4,346	4,550
Investments in subsidiaries	5	--	--	49,496	49,496
Deferred tax assets	6	93	222	--	--
Due from subsidiaries	9	--	--	351,268	--
Total non-current assets		383,475	234,574	435,151	85,245
Inventories	7	368,816	191,749	235,703	126,743
Trade and other receivables	8	215,364	139,951	120,813	78,800
Due from subsidiaries	9	--	--	15,631	177,172
Current tax assets		557	--	272	--
Cash and cash equivalents	10	66,997	74,722	22,203	19,461
Total current assets		651,734	406,422	394,622	402,176
Total assets		1,035,209	640,996	829,773	487,421
Equity					
Share capital	11	157,782	157,782	157,782	157,782
Reserves	11	352,865	343,424	240,892	237,033
Equity attributable to owners of the Company/Total equity		510,647	501,206	398,674	394,815
Liabilities					
Deferred tax liabilities	6	1,540	1,654	1,266	1,654
Loans and borrowings	12	177,457	22,828	177,457	22,828
Total non-current liabilities		178,997	24,482	178,723	24,482
Trade and other payables	13	113,522	74,957	39,761	39,417
Due to subsidiaries	9	--	--	1,162	1,323
Loans and borrowings	12	232,043	37,259	211,453	24,287
Current tax liabilities		--	3,092	--	3,097
Total current liabilities		345,565	115,308	252,376	68,124
Total liabilities		524,562	139,790	431,099	92,606
Total equity and liabilities		1,035,209	640,996	829,773	487,421

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 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	14	1,344,379	832,535	812,993	500,297
Cost of sales		(1,247,729)	(747,556)	(773,979)	(450,733)
Gross profit		96,650	84,979	39,014	49,564
Other income		7,020	8,318	27,979	19,573
Distribution expenses		(15,390)	(12,304)	(3,980)	(3,985)
Administrative expenses		(20,769)	(14,815)	(8,564)	(7,264)
Other expenses		(2,755)	(158)	(15,758)	--
Results from operating activities		64,756	66,020	38,691	57,888
Finance income		2,148	2,273	950	1,011
Finance costs*		(1,242)	(685)	(3,749)	(596)
Net finance income/(costs)		906	1,588	(2,799)	415
Profit before tax		65,662	67,608	35,892	58,303
Tax expense	15	(14,729)	(15,388)	(6,214)	(10,808)
Profit for the year	16	50,933	52,220	29,678	47,495
Other comprehensive expense, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences/**Other comprehensive expense for the year, net of tax**		(15,673)	(2,086)	--	--
Total comprehensive income for the year		35,260	50,134	29,678	47,495
Basic and diluted earnings per ordinary share (sen)	17	39.5	46.8		

* Included in finance costs are:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	4,173	685	3,749	596
Less: Amount capitalised in:				
- property, plant and equipment	(2,931)	--	--	--
	1,242	685	3,749	596

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Note	Share capital RM'000	Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
		← Attributable to owners of the Company			→
		Non-distributable		Distributable	
Group					
At 1 April 2020		99,305	(12,451)	315,671	402,525
Foreign currency translation differences/ **Total other comprehensive expense for the year**		--	(2,086)	--	(2,086)
Profit for the year		--	--	52,220	52,220
Total comprehensive (expense)/ income for the year		--	(2,086)	52,220	50,134
Contributions by and distributions to owners of the Company					
Issue of ordinary shares	11	58,477	--	--	58,477
Dividends to owners of the Company	18	--	--	(9,930)	(9,930)
Total transactions with owners of the Company		58,477	--	(9,930)	48,547
At 31 March 2021/1 April 2021		157,782	(14,537)	357,961	501,206
Foreign currency translation differences/ **Total other comprehensive expense for the year**		--	(15,673)	--	(15,673)
Profit for the year		--	--	50,933	50,933
Total comprehensive (expense)/ income for the year		--	(15,673)	50,933	35,260
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company/ **Total transactions with owners of the Company**	18	--	--	(25,819)	(25,819)
At 31 March 2022		157,782	(30,210)	383,075	510,647

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

For the year ended 31 March 2022

	Note	Attributable to owners of the Company Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company				
At 1 April 2020		99,305	199,468	298,773
Profit and total comprehensive income for the year		--	47,495	47,495
Contributions by and distributions to owners of the Company				
Issue of ordinary shares	11	58,477	--	58,477
Dividends to owners of the Company	18	--	(9,930)	(9,930)
Total transactions with owners of the Company		58,477	(9,930)	48,547
At 31 March 2021/1 April 2021		157,782	237,033	394,815
Profit and total comprehensive income for the year		--	29,678	29,678
Contributions by and distributions to owners of the Company				
Dividends to owners of the Company/ **Total transactions with owners of the Company**	18	--	(25,819)	(25,819)
At 31 March 2022		157,782	240,892	398,674

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

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from operating activities					
Profit before tax		65,662	67,608	35,892	58,303
Adjustments for:					
Depreciation:					
- Property, plant and equipment		13,255	14,496	6,359	6,977
- Right-of-use assets		589	593	204	204
Finance costs		1,242	685	3,749	596
Inventories written down/ (Reversal of inventories written down)		848	172	2,146	(604)
Unrealised (gain)/loss on foreign exchange		(2,700)	(1,135)	12,780	(1,076)
Dividend income from a subsidiary		--	--	(20,983)	(12,435)
Finance income		(2,148)	(2,273)	(950)	(1,011)
Gain on disposal of property, plant and equipment		(42)	(2,296)	(42)	(2,296)
Reversal of impairment loss on amount due from a subsidiary		--	--	(4,568)	--
Operating profit before changes in working capital		76,706	77,850	34,587	48,658
Change in inventories		(177,915)	(19,954)	(111,106)	(20,141)
Change in trade and other receivables		(74,695)	(49,154)	(41,854)	(21,880)
Change in due from/(to) subsidiaries		--	--	126	4,166
Change in trade and other payables		38,565	4,122	344	(6,632)
Cash (used in)/generated from operations		(137,339)	12,864	(117,903)	4,171
Tax paid		(18,363)	(11,538)	(9,971)	(7,021)
Net cash (used in)/from operating activities		(155,702)	1,326	(127,874)	(2,850)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(163,012)	(129,156)	(5,201)	(4,049)
Proceeds from disposal of property, plant and equipment		42	2,296	42	2,296
Interest received		2,148	2,273	950	1,011
Dividend received from a subsidiary		--	--	20,983	12,435
Change in due from subsidiaries		--	--	(200,367)	(129,975)
Net cash used in investing activities		(160,822)	(124,587)	(183,593)	(118,282)

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

For the year ended 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from financing activities					
Net short term borrowings		180,923	9,228	180,923	9,228
Loan drawndown		169,016	36,140	161,398	23,168
Dividends paid to owners of the Company		(25,819)	(9,930)	(25,819)	(9,930)
Interest paid		(1,242)	(685)	(3,749)	(596)
Proceeds from issue of ordinary shares	11	--	58,477	--	58,477
Net cash from financing activities		322,878	93,230	312,753	80,347
Exchange differences on translation of the financial statements of foreign operations		(16,405)	(1,661)	--	--
Net (decrease)/increase in cash and cash equivalents		(10,051)	(31,692)	1,286	(40,785)
Cash and cash equivalents at 1 April		74,722	106,825	19,461	60,246
Foreign exchange difference on opening balances		870	(411)	--	--
Cash and cash equivalents at 31 March	10	65,541	74,722	20,747	19,461

Cash outflows for leases as a lessee

	Note	Group/Company 2022 RM'000	Group/Company 2021 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	16	369	376
Payment relating to leases of low-value assets	16	139	136
Total cash outflows for leases		508	512

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

For the year ended 31 March 2022

Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 April 2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 March 2021/ 1 April 2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 March 2022 RM'000
Group							
Banker's acceptance	15,059	9,228	--	24,287	39,960	--	64,247
Term loan	--	36,140	(340)	35,800	169,016	(1,881)	202,935
Onshore loan	--	--	--	--	140,963	(101)	140,862
Total liabilities from financing activities	15,059	45,368	(340)	60,087	349,939	(1,982)	408,044

	At 1 April 2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 March 2021/ 1 April 2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 March 2022 RM'000
Company							
Banker's acceptance	15,059	9,228	--	24,287	39,960	--	64,247
Term loan	--	23,168	(340)	22,828	161,398	(1,881)	182,345
Onshore loan	--	--	--	--	140,963	(101)	140,862
Total liabilities from financing activities	15,059	32,396	(340)	47,115	342,321	(1,982)	387,454

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 is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
PLO 255, Jalan Timah Tiga
Kawasan Perindustrian Pasir Gudang
81700 Pasir Gudang
Johor Darul Takzim
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 2022 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 2022 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 20 July 2022.

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 (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs 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 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment − Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018−2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17*, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

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

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than 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.

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

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

- 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 a 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.

(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 which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in 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.

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

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

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) Recognition and initial 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 asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured as 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

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

The categories of financial assets at initial recognition are as follows:

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(h)(i)).

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

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

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) 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), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

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.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(iv) 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 transferred, 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 of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) 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. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(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 10 to 25 years. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

Plant and machinery	10 - 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.

2. Significant accounting policies (cont'd)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

In an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(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

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

2. Significant accounting policies (cont'd)

(h) Impairment (cont'd)

(i) Financial assets (cont'd)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(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.

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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (cont'd)

(j) 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 liabilities and assets, 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.

(k) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(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, which in the case of quoted securities is the ex-dividend date.

(l) Borrowing 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.

2. Significant accounting policies (cont'd)

(m) 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.

(n) 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.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(o) 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. Operating segment 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.

(p) Fair value measurements

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 value is 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

	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 2020	38,925	397,031	31,811	32,589	500,356
Additions	1,123	2,788	1,210	124,035	129,156
Disposals	--	--	(158)	--	(158)
Transfers	660	--	809	(1,469)	--
Exchange differences	(140)	(1,447)	(60)	--	(1,647)
At 31 March 2021/1 April 2021	40,568	398,372	33,612	155,155	627,707
Additions	463	2,174	1,243	159,132	163,012
Disposals	--	--	(440)	--	(440)
Transfers	--	5,223	36	(5,259)	--
Exchange differences	233	2,421	104	--	2,758
At 31 March 2022	41,264	408,190	34,555	309,028	793,037
Accumulated depreciation					
At 1 April 2020	27,990	345,794	26,854	--	400,638
Depreciation charge	928	12,108	1,460	--	14,496
Disposals	--	--	(158)	--	(158)
Exchange differences	(97)	(1,214)	(44)	--	(1,355)
At 31 March 2021/1 April 2021	28,821	356,688	28,112	--	413,621
Depreciation charge	978	10,667	1,610	--	13,255
Disposals	--	--	(440)	--	(440)
Exchange differences	166	2,049	77	--	2,292
At 31 March 2022	29,965	369,404	29,359	--	428,728
Carrying amounts					
At 1 April 2020	10,935	51,237	4,957	32,589	99,718
At 31 March 2021/1 April 2021	11,747	41,684	5,500	155,155	214,086
At 31 March 2022	11,299	38,786	5,196	309,028	364,309

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

	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 2020	26,880	227,271	24,073	2,186	280,410
Additions	1,123	1,268	695	963	4,049
Disposals	--	--	(122)	--	(122)
Transfers	660	--	809	(1,469)	--
At 31 March 2021/1 April 2021	28,663	228,539	25,455	1,680	284,337
Additions	463	--	550	4,188	5,201
Disposals	--	--	(440)	--	(440)
Transfers	--	5,223	36	(5,259)	--
At 31 March 2022	29,126	233,762	25,601	609	289,098
Accumulated depreciation					
At 1 April 2020	20,092	204,110	22,081	--	246,283
Depreciation charge	414	5,452	1,111	--	6,977
Disposals	--	--	(122)	--	(122)
At 31 March 2021/1 April 2021	20,506	209,562	23,070	--	253,138
Depreciation charge	463	4,913	983	--	6,359
Disposals	--	--	(440)	--	(440)
At 31 March 2022	20,969	214,475	23,613	--	259,057
Carrying amounts					
At 1 April 2020	6,788	23,161	1,992	2,186	34,127
At 31 March 2021/1 April 2021	8,157	18,977	2,385	1,680	31,199
At 31 March 2022	8,157	19,287	1,988	609	30,041

Others

The gross amount of fully depreciated property, plant and machinery of the Group and the Company but still in use amounted to RM327,885,000 (2021: RM297,298,000) and RM240,843,000 (2021: RM212,915,000) respectively.

Included in the capital work-in-progress incurred for the year is interest expense capitalised of RM2,931,000 (2021: NIL) at 1.34% (2021: NIL).

4. Right-of-use assets

	Land RM'000	Leasehold improvements RM'000	Total RM'000
Group			
At 1 April 2020	19,993	588	20,581
Depreciation	(570)	(23)	(593)
Exchange difference	285	(7)	278
At 31 March 2021/1 April 2021	19,708	558	20,266
Depreciation	(566)	(23)	(589)
Exchange difference	(616)	12	(604)
At 31 March 2022	18,526	547	19,073

	Land/ Total RM'000
Company	
At 1 April 2020	4,754
Depreciation	(204)
At 31 March 2021/1 April 2021	4,550
Depreciation	(204)
At 31 March 2022	4,346

The Group and the Company lease land that run between 43 and 99 years. These leases have been prepaid by the Group and the Company.

5. Investments in subsidiaries

	Company 2022 RM'000	2021 RM'000
Cost of investment	49,496	49,496

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2022 %	2021 %
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
PERSTIMA (Philippines), Inc. *	Manufacturing and sale of tinplates and tin free steel	Philippines	100	100

* Not audited by KPMG PLT

6. Deferred tax assets/(liabilities)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Deferred tax assets	93	222	--	--
Deferred tax liabilities	(1,540)	(1,654)	(1,266)	(1,654)
	(1,447)	(1,432)	(1,266)	(1,654)

Deferred tax assets and liabilities are attributable to the following:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Property, plant and equipment				
- capital allowances	(3,918)	(3,342)	(3,644)	(3,342)
- revaluation	(669)	(692)	(669)	(692)
Allowances and other accruals	3,708	2,661	3,615	2,439
Unrealised exchange differences	(568)	(59)	(568)	(59)
	(1,447)	(1,432)	(1,266)	(1,654)

Movement in temporary differences during the year are as follows:

	At 1 April 2020 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 March 2021/ 1 April 2021 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 March 2022 RM'000
Group					
Property, plant and equipment					
- capital allowances	(3,953)	611	(3,342)	(576)	(3,918)
- revaluation	(795)	103	(692)	23	(669)
Allowance and other accruals	1,882	779	2,661	1,047	3,708
Unrealised exchange differences	(47)	(12)	(59)	(509)	(568)
	(2,913)	1,481	(1,432)	(15)	(1,447)
Company					
Property, plant and equipment					
- capital allowances	(3,953)	611	(3,342)	(302)	(3,644)
- revaluation	(795)	103	(692)	23	(669)
Allowance and other accruals	1,598	841	2,439	1,176	3,615
Unrealised exchange differences	(47)	(12)	(59)	(509)	(568)
	(3,197)	1,543	(1,654)	388	(1,266)

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

Unrecognised deferred tax assets

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

	Group	
	2022 RM'000	**2021 RM'000**
Deductible temporary differences	2,206	1,283
Unabsorbed capital allowances	12,522	13,712
Unutilised tax losses	15,382	4,763
	30,110	19,758

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 the subsidiary can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised carry-forward available to the Group.

Pursuant to the Finance Act 2021, unutilised tax losses up to the year of assessment 2018 can be carried forward until year of assessment 2028 and unutilised tax losses for the year of assessment 2019 onwards can be carried forward up to 10 consecutive years of assessment immediately following that year of assessment.

In prior year, unutilised tax losses can only be carried forward up to 7 consecutive years of assessment.

The unutilised tax losses will expire in the following year of assessment:

	2022 RM'000	**2021 RM'000**
2025	--	390
2028	390	--
	390	390

The remaining unutilised tax losses arose from a subsidiary incorporated in Philippines. The unutilised tax losses will expire in the following years of assessment under the tax legislation of Philippines:

	2022 RM'000	**2021 RM'000**
2022	--	283
2023	1,755	1,856
2025	11,124	--
2026	2,113	2,234
	14,992	4,373

7. Inventories

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Raw materials	226,812	118,608	138,170	78,953
Work-in-progress	9,527	2,871	9,509	2,292
Finished goods	112,292	51,876	76,356	34,117
Consumables	20,185	18,394	11,668	11,381
	368,816	191,749	235,703	126,743
Recognised in profit or loss:				
- Inventories recognised as cost of sales	1,247,729	747,556	773,979	450,733

8. Trade and other receivables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables	161,723	114,972	111,392	75,030
Other receivables, deposits and prepayments	53,641	24,979	9,421	3,770
	215,364	139,951	120,813	78,800

9. Due from/(to) subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Non-current		
Due from subsidiaries - non-trade	351,268	--
Current		
Due from subsidiaries - non-trade	15,631	181,740
Less: Impairment loss	--	(4,568)
	15,631	177,172
	366,899	177,172
Current		
Due to subsidiaries		
- trade	(1,120)	(1,318)
- non-trade	(42)	(5)
	(1,162)	(1,323)

The non-current portion of amounts due from subsidiaries are unsecured, interest free and will not be repayable within the next twelve months.

The current portion of amounts due from subsidiaries are unsecured, interest free and repayable on demand except for RM8,831,117 (2021: RM8,831,117) which is subject to interest rate at 4% (2021: 4%) per annum.

10. Cash and cash equivalents

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash and bank balances		7,573	19,149	1,764	12,387
Deposits with licensed banks		59,424	55,573	20,439	7,074
Cash and cash equivalents in the statements of financial position		66,997	74,722	22,203	19,461
Less: Bank overdrafts	12	(1,456)	--	(1,456)	--
Cash and cash equivalents in the statements of cash flows		65,541	74,722	20,747	19,461

11. Capital and reserves

Share capital

	Group/Company 2022 RM'000	Group/Company 2021 RM'000	Group/Company Number of ordinary shares 2022 '000	Group/Company Number of ordinary shares 2021 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	157,782	99,305	129,096	99,305
Issue of ordinary shares for cash	--	58,477	--	19,861
Bonus issue	--	--	--	9,930
At 31 March	157,782	157,782	129,096	129,096

Reserves

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-distributable				
Translation reserve	(30,210)	(14,537)	--	--
Distributable				
Retained earnings	383,075	357,961	240,892	237,033
	352,865	343,424	240,892	237,033

12. Loans and borrowings

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Term loans - unsecured		177,457	22,828	177,457	22,828
Current					
Bankers' acceptances - unsecured		64,247	24,287	64,247	24,287
Onshore foreign loans - unsecured		140,862	--	140,862	--
Term loans - unsecured		25,478	12,972	4,888	--
Bank overdrafts - unsecured	10	1,456	--	1,456	--
		232,043	37,259	211,453	24,287
		409,500	60,087	388,910	47,115

Term loans

The term loans are denominated in United States Dollar and repayable in 60 monthly instalments commencing on the 25th month after first disbursement. The term loans bear interest rate of 1.20% per annum above London Inter-Bank Offered Rate ("LIBOR").

Bankers' acceptances

Bankers' acceptances bear interest rates which range from 2.02% - 2.09% (2021: 1.97% - 2.80%) per annum.

Onshore foreign loans

The onshore foreign loans are denominated in United States Dollar. The onshore foreign loans bear interest rates which range from 1.29% - 1.31% (2021: NIL) per annum.

13. Trade and other payables

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Trade payables	44,323	37,596	22,459	25,618
Other payables and accrued expenses	69,199	37,361	17,302	13,799
	113,522	74,957	39,761	39,417

Included in other payables and accrued expenses are:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Other payables	23,958	9,117	243	251
Accrued expenses for sales rebates	8,404	5,619	8,404	5,619
Payroll related accruals	3,584	3,774	2,870	3,106
Other accrued expenses	33,253	18,851	5,785	4,823
	69,199	37,361	17,302	13,799

Included in trade payables of the Group and of the Company is an amount of RM38,468,440 (2021: RM31,695,996) and RM19,941,242 (2021: RM22,394,823) respectively due to substantial shareholders of the Company arising from purchases of raw materials.

14. Revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers				
- at a point in time	1,344,379	832,535	812,993	500,297

14.1 Disaggregation of revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Primary geographical markets				
Malaysia	799,984	478,857	766,270	450,946
Vietnam	322,411	216,940	--	--
Others	221,984	136,738	46,723	49,351
	1,344,379	832,535	812,993	500,297

14.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Sales of tinplates	Revenue is recognised when the goods are collected and accepted by the customers at the Group's premises	Credit period of 30 to 150 days from invoice date

15. Tax expense

Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense				
- Current year	15,157	16,949	7,053	12,431
- Prior years	(443)	(80)	(451)	(80)
	14,714	16,869	6,602	12,351
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	(490)	(1,226)	(893)	(1,288)
- Under/(Over) provision in prior years	505	(255)	505	(255)
	15	(1,481)	(388)	(1,543)
	14,729	15,388	6,214	10,808

15. Tax expense (cont'd)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Reconciliation of tax expense				
Profit before tax	65,662	67,608	35,892	58,303
Income tax calculated using Malaysian tax rate of 24%	15,759	16,226	8,614	13,993
Effect of different tax rates in foreign jurisdictions	(4,159)	(996)	--	--
Non-deductible expenses	708	524	3,690	147
Non-taxable income	(906)	(13)	(6,144)	(2,997)
Effect of unrecognised deferred tax asset	3,265	(18)	--	--
	14,667	15,723	6,160	11,143
Under/(Over) provision in prior years	62	(335)	54	(335)
Tax expense	14,729	15,388	6,214	10,808

16. Profit for the year

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Profit for the year is arrived at after charging/(crediting)					
Audit fees					
- Company's auditors		119	109	115	105
- Overseas affiliate of KPMG PLT		91	57	--	--
Non-audit fees					
- Company's auditors		3	3	3	3
- Local affiliate of KPMG PLT		25	24	18	17
Depreciation:					
- Property, plant and equipment		13,255	14,496	6,359	6,977
- Right-of-use assets		589	593	204	204
Expenses relating to short-term leases	a	369	376	369	376
Expenses relating to leases of low-value assets	a	139	136	139	136
Personnel expenses (including key management personnel):					
- Wages, salaries and others		27,947	26,411	16,390	16,298
- Contributions to state plans		2,239	2,221	2,239	2,221
Dividend income from a subsidiary		--	--	(20,983)	(12,435)
Gain on disposal of property, plant and equipment		(42)	(2,296)	(42)	(2,296)
Hostel rental income		(50)	(48)	(50)	(48)
Net foreign exchange (gain)/loss		(1,535)	(3,351)	15,758	(2,562)
Reversal of impairment loss on amount due from a subsidiary		--	--	(4,568)	--
Inventories written down/(Reversal of inventories written down)		848	172	2,146	(604)
Rental of premise		--	--	(60)	(60)

Note a

The Group and the Company lease equipment with contract term of 1 to 5 years. These leases are short-term and/or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

17. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Profit attributable to ordinary shareholders	50,933	52,220

	Group Numbers of share	
	2022 '000	**2021 '000**
Weighted average number of ordinary shares at 31 March	129,096	111,548
Basic earnings per ordinary share (sen)	39.5	46.8

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 as at year end.

18. Dividends

Dividends recognised by the Group/Company are:

	Sen per share	Total amount RM'000	Date of payment
2022			
Final 2021	20	25,819	29 October 2021
2021			
Final 2020	10	9,930	25 September 2020

19. Capital commitments

	Group	
	2022 RM'000	**2021 RM'000**
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	42,365	123,450

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 over the period of the leasehold land of 42 years.

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

	Group	
	2022 RM'000	2021 RM'000
Less than one year	153	151
Between one and five years	610	603
More than five years	3,050	3,164
	3,813	3,918

21. Operating segments

The Group has three reportable segments, distinguished by geographical locations, in Malaysia, Vietnam and Philippines, 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		Philippines		Consolidation adjustments		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Segment profit/(loss)	15,402	45,532	44,663	25,614	(13,874)	(3,610)	19,471	72	65,662	67,608
Included in the measure of segment profit/(loss) are:										
Revenue from external customers	815,633	501,817	528,746	330,718	--	--	--	--	1,344,379	832,535
Inventories written down/ (Reversal of inventories written down)	2,146	(604)	(1,298)	776	--	--	--	--	848	172
Depreciation	7,525	9,015	5,802	5,553	--	--	(72)	(72)	13,255	14,496
Depreciation of right-of -use assets	204	204	137	136	248	253	--	--	589	593
Finance costs	4,079	1,126	424	89	--	--	(3,261)	(530)	1,242	685
Finance income	(976)	(1,127)	(1,502)	(1,676)	--	--	330	530	(2,148)	(2,273)
Unrealised foreign exchange loss arising from net investment in foreign operation	14,921	--	--	--	6,115	--	(21,036)	--	--	--
Reversal of impairment loss on amount due from a subsidiary	(4,568)	--	--	--	--	--	4,568	--	--	--

Geographical location of non-current assets

	2022 RM'000	2021 RM'000
Malaysia	36,668	38,726
Vietnam	26,821	30,662
Philippines	319,986	165,186
	383,475	234,574

Geographical location of revenue

	2022 RM'000	2021 RM'000
Malaysia	799,984	478,857
Vietnam	322,411	216,940
Others	221,984	136,738
	1,344,379	832,535

Major customers

Revenue from three (2021: three) major customers (individually with revenue equal or more than 10% of the Group's total revenue) amounted to RM740,622,000 (2021: RM383,660,000).

22. Financial instruments

22.1 Categories of financial instruments

All financial assets and liabilities are categorised as amortised cost in accordance with the Company's accounting policies as disclosed in Note 2(c).

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	3,683	5,624	(10,240)	3,573
Financial liabilities at amortised cost	(1,242)	(685)	(3,749)	(596)
	2,441	4,939	(13,989)	2,977

22.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its customers and the Company's exposure is from customers and its subsidiaries. There are no significant changes as compared to prior period.

Trade 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.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

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.

Concentration of credit risk

As the end of the reporting report, the Group and the Company have significant concentrations of credit risk arising from amount due from 5 customers (2021: 5 customers), which represent 57% (2021: 62%) and 80% (2021: 81%) of total trade receivables of the Group and the Company respectively.

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Trade receivables (cont'd)

Concentration of credit risk (cont'd)

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	105,096	75,998	102,024	68,757
Vietnam	29,131	20,597	--	--
Others	27,496	18,377	9,368	6,273
	161,723	114,972	111,392	75,030

Recognition and measurement of impairment loss

Management has taken reasonable steps to ensure that trade receivables are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any trade receivables having significant balances past due more than respective credit term, which are deemed to have higher credit risk, are monitored individually.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount/Net balance			
	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current (not past due)	142,217	94,964	99,412	60,150
0 - 30 days past due	10,247	19,636	8,124	14,508
31 - 60 days past due	8,958	372	3,856	372
61 - 90 days past due	301	--	--	--
	161,723	114,972	111,392	75,030

As at end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. 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.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

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 and the Group and the Company do not recognise any allowance for impairment losses.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries.

The Company monitors the exposure to credit risk on an ongoing basis.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Exposure to credit risk, credit quality and collateral

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.

Recognition and measurement of impairment loss

Generally, the Company considers amounts due from subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries when they are payable, the Company considers the amounts to be in default when the subsidiaries are not able to pay when demanded. The Company considers amounts due from subsidiaries to be credit impaired when:

- the subsidiaries are unlikely to repay the amounts to the Company in full; or
- the subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default for this amount individually using cash flow projections, with inputs and assumptions derived from historical and current performance, internal business plans and forecasts and external market data.

The following table provides information about the exposure to credit risk for the amounts due from subsidiaries as at the end of the reporting period.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Company			
2022			
Low credit risk	351,270	--	351,270
Significant increase in credit risk	15,629	--	15,629
	366,899	--	366,899
2021			
Low credit risk	165,825	--	165,825
Significant increase in credit risk	15,915	4,568	11,347
	181,740	4,568	177,172

22. Financial instruments (cont'd)

22.4 Credit risk (cont'd)

Inter-company balances (cont'd)

The movement in the allowance for impairment in respect of subsidiaries' advances during the year is as follows.

Company	Lifetime ECL 2022 RM'000	Lifetime ECL 2021 RM'000
Balance at 1 April	4,568	4,568
Net remeasurement of loss allowance	(4,568)	--
Balance at 31 March	--	4,568

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 maintain 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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2022							
Non-derivative financial liabilities							
Unsecured bankers' acceptances	64,247	2.02 - 2.09	64,247	64,247	--	--	--
Unsecured onshore foreign loans	140,862	1.29 - 1.31	140,862	140,862	--	--	--
Unsecured term loans	177,457	LIBOR + 1.20	185,473	--	39,402	114,214	31,857
Unsecured term loan	25,478	1.30	29,304	29,304	--	--	--
Unsecured bank overdrafts	1,456	BLR + 1.00	1,456	1,456	--	--	--
Trade and other payables	113,522	--	113,522	113,522	--	--	--
	523,022		534,864	349,391	39,402	114,214	31,857
2021							
Non-derivative financial liabilities							
Unsecured bankers' acceptances	24,287	1.97 - 2.80	24,287	24,287	--	--	--
Unsecured term loans	22,828	LIBOR + 1.20	24,131	306	1,618	14,295	7,912
Unsecured term loan	12,972	1.70 - 3.20	13,290	13,290	--	--	--
Trade and other payables	74,957	--	74,957	74,957	--	--	--
	135,044		136,665	112,840	1,618	14,295	7,912

22. Financial instruments (cont'd)

22.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company							
2022							
Non-derivative financial liabilities							
Unsecured bankers' acceptances	64,247	2.02 - 2.09	64,247	64,247	--	--	--
Unsecured onshore foreign loans	140,862	1.29 - 1.31	140,862	140,862	--	--	--
Unsecured term loans	182,345	LIBOR + 1.20	193,683	8,210	39,402	114,214	31,857
Unsecured bank overdrafts	1,456	BLR + 1.00	1,456	1,456	--	--	--
Trade and other payables	39,761	--	39,761	39,761	--	--	--
Due to subsidiaries	1,162	--	1,162	1,162	--	--	--
	429,833		441,171	255,698	39,402	114,214	31,857
2021							
Non-derivative financial liabilities							
Unsecured bankers' acceptances	24,287	1.97 - 2.80	24,287	24,287	--	--	--
Unsecured term loans	22,828	LIBOR + 1.20	24,131	306	1,618	14,295	7,912
Trade and other payables	39,417	--	39,417	39,417	--	--	--
Due to subsidiaries	1,323	--	1,323	1,323	--	--	--
	87,855		89,158	65,333	1,618	14,295	7,912

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22. Financial instruments (cont'd)

22.6 Market risk

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

Currency risk

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

Risk management objectives, policies and processes for managing the risk

The Group and the Company use forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

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

	Denominated in USD			
	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables	30,206	25,442	9,369	6,274
Cash and cash equivalents	3,592	14,919	783	11,854
Trade and other payables	(36,666)	(36,471)	(22,532)	(26,490)
Loans and borrowings	(343,797)	(35,800)	(323,207)	(22,828)
Net exposure	(346,665)	(31,910)	(335,587)	(31,190)

Currency risk sensitivity analysis

A 10% (2021: 10%) strengthening of Ringgit Malaysia against the USD at the end of the reporting period would have increased/(decreased) 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.

	Profit or loss			
	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
USD	26,347	2,425	25,505	2,370

A 10% (2021: 10%) weakening of Ringgit Malaysia 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.

22. Financial instruments (cont'd)

22.6 Market risk (cont'd)

Interest rate risk

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

The Company's investment in fixed rate deposits, receivables from a subsidiary and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short term payables are not exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Fixed rate instruments				
Financial assets	59,424	55,573	29,270	15,905
Financial liabilities	(205,109)	(24,287)	(205,109)	(24,287)
	(145,685)	31,286	(175,839)	(8,382)
Floating rate instruments				
Financial liabilities	(204,391)	(35,800)	(183,801)	(22,828)

Interest rate risk sensitivity analysis

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

The Group and the Company do 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) the Group and the Company post-tax results by RM1,553,000 (2021: RM272,000) and RM1,397,000 (2021: RM173,000) respectively. This analysis assumes that all other variables remained constant.

22.7 Fair value information

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

The term loans approximate its fair value as the effective interest rate changes accordingly to the movements in the market interest rate due to its floating rate nature.

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 investors, creditors 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.

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 and entity that provides key management personnel services to the Group. The key management personnel include 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

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 9 and 13.

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
A.	**Substantial shareholders**				
	Purchases of raw materials	1,062,729	492,024	618,552	293,424
	Sales of tinplates	4,497	3,688	4,497	3,688
B.	**Subsidiaries**				
	Dividend income received	--	--	20,983	12,435
	Interest receivable	--	--	330	530
	Purchase of power and steam	--	--	12,624	12,271
	Sales of water	--	--	189	152
	Rental income	--	--	60	60
C.	**Key management personnel** ***Directors***				
	- Fees	505	505	505	505
	- Remuneration	899	995	899	995
		1,404	1,500	1,404	1,500
	Other key management personnel				
	- Remuneration	649	570	212	116
		2,053	2,070	1,616	1,616

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 RM122,680 (2021: RM105,000).

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 44 to 81 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

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

Hiroaki Yano
Director

Ranko Kume
Director

20 July 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Rahizan bin Khalid**, 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 44 to 81 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Rahizan bin Khalid, NRIC: 721128-01-5421, at Johor Bahru in the State of Johor on 20 July 2022.

Rahizan bin Khalid

Before me:

Lau Lay Sung
Commissioner For Oaths
No. J-246

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Perusahaan Sadur Timah Malaysia (Perstima) Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 81.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of investment in a subsidiary and recoverability of receivables from a subsidiary (Company)

Refer to Note 5 - Investment in subsidiaries and Note 9 - Due from subsidiaries

The key audit matter

The Company has investment in a Malaysian subsidiary, Perstima Utility Sdn. Bhd. as at 31 March 2022 amounting to RM5,000,000 and amount owing from that subsidiary amounting to RM15,629,000.

Given the subsidiary has recorded losses for the past three financial years and in view of the current uncertainties on future profitability, there is an indication that the carrying amount of the investment in the subsidiary and receivables from the subsidiary may be impaired. As the assessment of the recoverable amount involves judgemental assumptions and estimation, we have identified this as the key focus area.

How the matter was addressed in our audit

Our audit procedures include evaluating the Directors' assessment on the appropriateness of the carrying amount of investment in the subsidiary and recoverability of receivables from the subsidiary to ascertain if any impairment is required, including the appropriateness of key assumptions used in the cash flow projections, in particular those relating to selling prices, sales volume and discount rate, by comparing to the historical and current performance, internal business plans and forecasts and externally derived market data.

We have determined the adequacy of the impairment loss provided against the exposure from the outstanding amounts in evaluating the Company's impairment assessment.

We have determined that there are no key audit matters in the audit of the financial statements of the Group to communicate in our auditors' report.

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

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Tan Teck Eng
Approval Number: 02986/05/2024 J
Chartered Accountant

Johor Bahru
20 July 2022

LIST OF GROUP LANDED PROPERTIES

Location / Address	Acquisition / Revaluation * Date	Description	Land area	Tenure	Net Book Value RM'000
PN 6713 Lot 51694 Mukim of Plentong Daerah Pasir Gudang Industrial Estate Johor Bahru	April 1992 *	Factory And Office (approx. 40 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	12,216
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	63
HS(D) 8094 Lot PTD 652 Mukim Pantai Timur Daerah Kota Tinggi (Desaru)	April 1992 *	Vacant Residential Land	14,595.8 sq.ft.	99-year lease expiring 13 December 2088	76
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. 40 years old)	31,309 sq.ft.	90-year lease expiring 24 June 2070	148
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Staff Apartment** (approx. 26 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. 19 years old)	387,492 sq.ft.	43-year lease expiring 11 February 2046	6,402
Lot 1, Block 9 Mega Drive Light Industrial & Science Park IV Barangay, San Fernando, Malvar Batangas, Philippines	December 2018	Vacant Industrial Land	309,042 sq.ft.	50-year lease expiring 20 December 2068	11,467

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 56 to 59.

** The net book value of these assets of the Group/Company after reversal of impairment value are at RM Nil respectively at 31 March 2022.

ANALYSIS OF SHAREHOLDINGS AS AT 1 JULY 2022

Total Number of Issued Shares	:	129,096,136
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share
Number of Shareholders	:	6,227

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 to 99	191	3.07	2,678	0.00
100 to 1,000	3,820	61.35	1,310,721	1.02
1,001 to 10,000	1,790	28.75	6,211,537	4.81
10,001 to 100,000	371	5.95	10,403,744	8.06
100,001 to less than 5% of issued shares	51	0.82	24,057,050	18.63
5% and above of issued shares	4	0.06	87,110,406	67.48
Total	6,227	100.00	129,096,136	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 1 JULY 2022

	Name of shareholders	No. of Shares	% of Issued Shares
1.	Versalite Sdn. Bhd.	42,402,806	32.85
2.	JFE Shoji Trade Corporation	20,850,100	16.15
3.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt an for Daiwa Capital Markets Singapore Limited	14,495,000	11.23
4.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt an for Mizuho Securities Co Ltd	9,362,500	7.25
5.	Lin Chen Su-Chiung	3,004,500	2.33
6.	Ho Han Seng	2,330,000	1.80
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Sie Hing @ Lau Sie Chin	2,200,000	1.70
8.	HSBC Nominees (Asing) Sdn. Bhd. HSBC SG for Lee Pineapple Company (Pte) Limited	1,709,500	1.32
9.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Saw Peng	1,690,000	1.31
10.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Heng Hoe	1,387,860	1.08
11.	Neoh Choo Ee & Company, Sdn. Berhad	1,070,900	0.83
12.	HSBC Nominees (Tempatan) Sdn. Bhd. Exempt an for Credit Suisse	825,000	0.64
13.	Ong Siew Hwa	715,130	0.55
14.	Ong Fang Loong	625,040	0.48
15.	Ong Saw Peng	582,270	0.45
16.	Ong Chee Joon	400,000	0.31
17.	Khor Saw Hoon	340,400	0.26
18.	Maybank Nominees (Tempatan) Sdn. Bhd. Lee Kim Tak	335,400	0.26
19.	South Well Sdn. Bhd.	333,840	0.26

THIRTY (30) LARGEST SHAREHOLDERS AS AT 1 JULY 2022 *(Cont'd)*

	Name of shareholders	No. of Shares	% of Issued Shares
20.	Dynaquest Sdn. Bhd.	325,000	0.25
21.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang See Hing	309,000	0.24
22.	Lim Kuan Gin	297,570	0.23
23.	Leo Jad Ngo	286,400	0.22
24.	Lee Kim Tak	277,550	0.21
25.	Zurid Corporation Sdn. Bhd.	271,800	0.21
26.	Yeoh Saik Khoo Sendirian Berhad	262,900	0.20
27.	Ng Teck Lin	258,700	0.20
28.	Ng Soon Siong	234,000	0.18
29.	See Teow Guan	221,000	0.17
30.	Glorified Power Sdn. Bhd.	206,800	0.16
	Total	107,610,966	83.33

SUBSTANTIAL SHAREHOLDERS AS AT 1 JULY 2022

	-----------Direct Interest------------		-----------Indirect Interest-----------	
Name of Substantial Shareholders	**No. of Shares held**	**% of Issued Shares**	**No. of Shares held**	**% of Issued Shares**
Versalite Sdn. Bhd.	42,402,806	32.85	-	-
Hiroshi Kume	-	-	42,402,806 (1)	32.85
Rin Nan Yoong	57,200	0.04	42,402,806 (2)	32.85
Rin Su Tsen @ Chen Su Tsen	-	-	42,402,806 (3)	32.85
JFE Shoji Corporation	20,850,100	16.15	-	-
JFE Steel Corporation	14,495,000	11.23	-	-
Mitsui & Co., Ltd.	9,362,500	7.25	-	-

(1) Deemed interested by virtue of his 39.99% interest in Versalite Sdn. Bhd.
(2) Deemed interested by virtue of his 40.00% interest in Versalite Sdn. Bhd.
(3) Deemed interested by virtue of her 20.00% interest in Versalite Sdn. Bhd.

DIRECTORS' INTERESTS AS AT 1 JULY 2022

	-----------------Direct-----------------		-----------------Indirect-----------------	
Names	**No. of Shares held**	**% of Issued Shares**	**No. of Shares held**	**% of Issued Shares**
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	-	-	-	-
Hiroaki Yano	-	-	-	-
Ranko Kume	-	-	-	-
Rin Nan Yoong	57,200	0.04	42,402,806 (1)	32.85
Dominic Aw Kian-Wee	-	-	-	-
Mastura binti Mansor	-	-	-	-
Ab. Patah bin Mohd	100	Negligible	-	-
Ho Chun Foh (Alternate Director to Rin Nan Yong)	-	-	-	-

(1) Deemed interested by virtue of his 40.00% interest in Versalite Sdn. Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fourth Annual General Meeting ("**44th AGM**") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("**the Company**") will be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia for the purpose of considering and if thought fit, passing the resolutions setting out in this notice:-

Meeting Date	: Tuesday, 23 August 2022
Time	: 2:30 p.m.
Meeting Platform	: https://meeting.boardroomlimited.my/ (Domain Registration Number with MYNIC - D6A357657)
Mode of Communication	: (i) Submit questions to the Board of Directors prior to the 44th AGM by logging into the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com/ not later than 2:30 p.m. on Sunday, 21 August 2022. (ii) Post questions to the Board of Directors via real time submission of typed text during live streaming of 44th AGM.

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2022 together with the Directors' and Auditors' Reports thereon.
   Explanatory Note 1
2. To re-elect Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon who is retiring in accordance with Clause 99 of the Constitution of the Company.
   Ordinary Resolution 1
3. To re-elect Mr Dominic Aw Kian-Wee who is retiring in accordance with Clause 99 of the Constitution of the Company.
   Ordinary Resolution 2
4. To approve the Non-Executive Directors' fees of RM505,000 and benefits payable to the Non-Executive Directors of RM15,000 for the financial year ended 31 March 2022 and the payment thereof.
   Ordinary Resolution 3
5. To approve the benefits payable to the Non-Executive Directors up to an aggregate amount of RM30,000 for the period from 1 April 2022 until the next Annual General Meeting of the Company in year 2023, to be paid quarterly in arrears.
   Ordinary Resolution 4
6. To re-appoint Messrs KPMG PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.
   Ordinary Resolution 5

As Special Business

To consider and, if thought fit, to pass the following Resolutions with or without modifications:-

7. **Proposed Renewal of Existing 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 Renewal of Shareholders' Mandate")**

   "THAT, pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 25 July 2022 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 Renewal of 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 340(2) of the Companies Act 2016 ("**the Act**") (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) 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 Renewal of Shareholders' Mandate."
   Ordinary Resolution 6

8. **Authority for Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon to continue in office as an Independent Director of the Company**

   "THAT, contingent upon the passing of the Ordinary Resolution 1, authority be and is hereby given for Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting, in accordance with the Malaysian Code on Corporate Governance."
   Ordinary Resolution 7

BY ORDER OF THE BOARD

TAI YIT CHAN
Membership No.: MAICSA 7009143
SSM Practicing Certificate No.: 202008001023

CHAN YOKE PENG
Membership No.: MAICSA 7053966
SSM Practicing Certificate No.: 202008001791
Company Secretaries

Kuala Lumpur
25 July 2022

NOTES:-

1. The AGM of the Company will be held and conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd.. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPEV facilities.
2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the broadcast venue.
3. A member of the Company who is entitled to participate and vote at the meeting is entitled to appoint up to two (2) proxies to participate and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar.
4. Where a member of the Company appoints two (2) proxies, the member shall specify the proportions of his/her shareholdings to be represented by each proxy, failing which the appointments 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.
5. 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.
6. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof, as follows:-

   (i) In hard copy form

   The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (ii) By electronic means

   The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com/. Please follow the procedures provided in the Administrative Guide for the AGM in order to deposit the Proxy Form electronically.
7. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.
9. For the purpose of determining who shall be entitled to participate this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at ***16 August 2022*** and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting or entitled to appoint proxy(ies) to participate and vote on his/her behalf.

EXPLANATORY NOTE ON ORDINARY BUSINESS AND SPECIAL BUSINESS

1. **Audited Financial Statements for the financial year ended 31 March 2022**

   The Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. **Ordinary Resolutions 1 and 2 – Re-election of Directors**

   The Board of Directors of the Company (the "**Board**") via the Nomination Committee ("**NC**") has reviewed the performance of each Director subject for re-election. The NC and the Board are satisfied with the performance, contribution and effectiveness of the retiring Directors, namely Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon and Mr Dominic Aw Kian-Wee being eligible, have offered themselves for re-election at the 44th AGM and recommend that they be re-elected as Directors of the Company. The two (2) retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings. The profiles of the Directors who are standing for re-election under Ordinary Resolutions 1 and 2 are set out in the Directors' Profiles on pages 4 and 5 of the Annual Report 2022.

3. **Ordinary Resolutions 3 and 4 – Payment of Directors' Fees and Benefits Payable**

   Section 230(1) of the Companies Act 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board wishes to seek shareholders' approval for the payment of Non-Executive Directors' fees of RM505,000 and benefits payable to the Non-Executive Directors of RM15,000 for the financial year ended 31 March 2022. The Board also wishes to seek shareholders' approval on the benefits payable to the Non-Executive Directors up to an aggregate amount of RM30,000 for the period from 1 April 2022 until the next AGM of the Company in year 2023. The details are set out in the Corporate Governance Overview Statement on page 18 of the Annual Report 2022. The amount of Non-Executive Directors' fees consists of the fees payable to Non-Executive Directors as members of the Board and Board Committees. Whilst, the amount of benefits payable to the Non-Executive Directors comprises meeting allowances only.

   The payment of Non-Executive Directors' fees as members of the Board and Board Committees as well as the benefits payable to Non-Executive Directors are recommended for shareholders' approval at this 44th AGM.

   The current structure of annual Non-Executive Directors' fees, which was last approved by the Board in 2022 had remained unchanged since financial year 2019. During a review in 2022, the Remuneration Committee recommended and the Board has approved that the Non-Executive Directors' fees shall remain unchanged, subject to shareholders' approval at this 44th AGM.

4. **Ordinary Resolution 5 – Re-appointment of Auditors**

   Messrs KPMG PLT, the auditors of the Company have expressed their willingness to continue in office as auditors of the Company for the financial year ending 31 March 2023. The Board has approved the Audit Committee's recommendation that they be retained after taking into account relevant feedback on their experience, performance and independence following a formal assessment.

5. **Ordinary Resolution 6 - Proposed Renewal of Shareholders' Mandate**

   For further information on Ordinary Resolution 6, please refer to the Circular to Shareholders dated 25 July 2022.

6. **Ordinary Resolution 7 - Authority for Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon to continue in office as an Independent Director of the Company**

   Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance ("**MCCG**") published on 28 April 2021, the tenure of an independent director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine (9) years, shareholders' approval must be sought through a two-tier voting process and the board must provide justification for the retention.

   Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon ("**Dato' Dr. Gooi**") was appointed as an Independent Director of the Company on 25 July 2013 and has served for a cumulative term of more than nine (9) years prescribed by the MCCG. In accordance with the MCCG, the NC and the Board, after having assessed the independence of Dato' Dr. Gooi, consider him to be independent based on, amongst others, the following justifications and recommend that Dato' Dr. Gooi be retained as an Independent Director of the Company:-

   (i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
   (ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
   (iii) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
   (iv) The Board is of the opinion that Dato' Dr. Gooi is an important Independent Director in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Director.

   Dato' Dr. Gooi has abstained from deliberations and decision on his own retention as Independent Director at the relevant NC and Board meetings.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

No. of shares held :	
CDS Account No. :	

I/We ______________________ NRIC/Registration No. ______________________

of ______________________ and telephone/mobile no. ______________________

email address ______________________ being a Member of **PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD**,

hereby appoint ______________________ NRIC/Passport No. ______________________

of ______________________ and telephone/mobile no. ______________________

email address ______________________ or failing him/her, ______________________

NRIC/Passport No. ______________________ of ______________________

and telephone/mobile no. ______________________ email address ______________________

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 Forty-Fourth Annual General Meeting ("**AGM**") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("**the Company**") to be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia via the meeting platform at https://meeting.boardroomlimited.my/ (Domain Registration Number with MYNIC – D6A357657) on Tuesday, 23 August 2022 at 2:30 p.m. and at each and every adjournment thereof, on the following resolutions referred to in the Notice of the Forty-Fourth AGM.

** Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.*

My/Our proxy is to vote as indicated below:-

	RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	To re-elect Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon who is retiring in accordance with Clause 99 of the Constitution of the Company.		
Ordinary Resolution 2	To re-elect Mr Dominic Aw Kian-Wee who is retiring in accordance with Clause 99 of the Constitution of the Company.		
Ordinary Resolution 3	To approve the Non-Executive Directors' fees of RM505,000 and benefits payable to the Non-Executive Directors of RM15,000 for the financial year ended 31 March 2022 and the payment thereof.		
Ordinary Resolution 4	To approve the benefits payable to the Non-Executive Directors up to an aggregate amount of RM30,000 for the period from 1 April 2022 until the next Annual General Meeting of the Company in year 2023, to be paid quarterly in arrears.		
Ordinary Resolution 5	To re-appoint Messrs KPMG PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
Ordinary Resolution 7	Authority for Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon to continue in office as an Independent Director of the Company.		

[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 ……………… 2022

……………………………………………

Signature of Member(s)^

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:-

	Percentage
First Proxy	%
Second Proxy	%
Total	100%

^ Manner of execution:-

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this Proxy Form should be executed under seal in accordance with the Constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this Proxy Form should be affixed with the rubber stamp of your corporation (if any) and executed by:-

  (i) at least two (2) authorised officers, of whom one shall be a director; or

  (ii) any Director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:-

1. The AGM of the Company will be held and conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd.. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPEV facilities.

2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the broadcast venue.

3. A member of the Company who is entitled to participate and vote at the meeting is entitled to appoint up to two (2) proxies to participate and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar.

4. Where a member of the Company appoints two (2) proxies, the member shall specify the proportions of his/her shareholdings to be represented by each proxy, failing which the appointments 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.

5. 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.

6. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof, as follows:-

   (i) In hard copy form

   The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (ii) By electronic means

   The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com/. Please follow the procedures provided in the Administrative Guide for the AGM in order to deposit the Proxy Form electronically.

7. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

9. For the purpose of determining who shall be entitled to participate this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at ***16 August 2022*** and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting or entitled to appoint proxy(ies) to participate and vote on his/her behalf.

Personal Data Privacy:-
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

FOLD HERE

PERUSAHAAN SADUR TIMAH MALAYSIA
(PERSTIMA) BERHAD
Reg. No. 197901005687 (49971-D)
(Incorporated in Malaysia)

POSTAGE

PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD
REGISTRATION NO.: 197901005687 (49971-D)
C/O BOARDROOM SHARE REGISTRARS SDN. BHD.
11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13, 46200 PETALING JAYA
SELANGOR DARUL EHSAN, MALAYSIA

FOLD HERE

PERSTIMA

PERUSAHAAN SADUR TIMAH MALAYSIA
(PERSTIMA) BERHAD
Reg. No. 197501005687 (00971-D)
(Incorporated in Malaysia)