LAPORAN TAHUNAN 2020 ANNUAL REPORT

PERSTIMA

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

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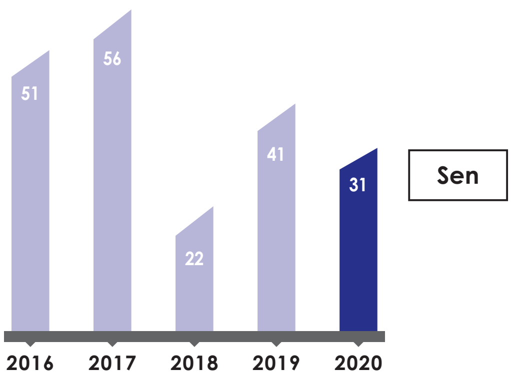
ANNUAL REPORT 2020
CONTENTS

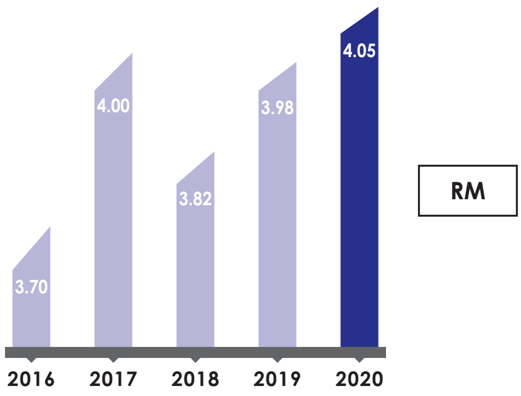
FIVE YEAR FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	860,016	978,778	938,867	840,719	743,385
Profit before taxation	41,156	53,631	28,535	71,394	64,232
Profit after taxation	30,913	41,021	21,534	55,141	50,933
Dividend per share (sen) – net of tax	10.00	30.00	30.00	40.00	38.00
Share capital	99,305	99,305	99,305	99,305	99,305
Shareholders' fund	402,525	395,521	379,080	397,285	367,087
Total Tangible Assets	491,632	469,769	471,321	486,042	423,733
Total Borrowings	15,059	17,603	34,222	23,813	4,284
Earnings per share (sen)	31	41	22	56	51
Net assets backing per share (RM)	4.05	3.98	3.82	4.00	3.70

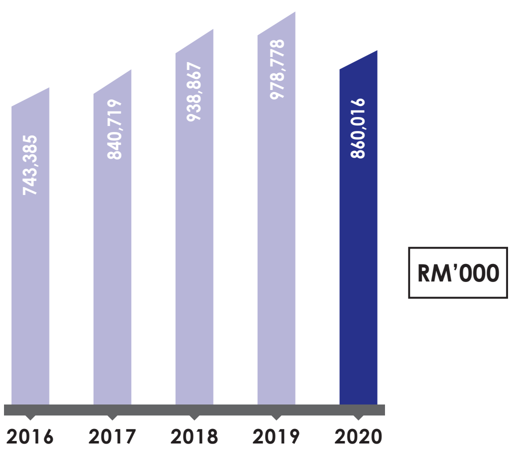
Earning per share



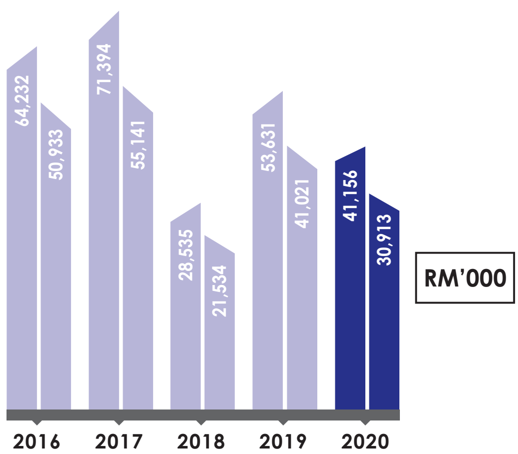
Net assets per share



Revenue



Profit before tax & after tax



CORPORATE INFORMATION

Board of Directors

Dato' 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, 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' 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' 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' Wee Hoe Soon @ Gooi Hoe Soon
(Independent Non-Executive Director)
Mastura Binti Mansor
(Independent Non-Executive Director)

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

Independent Non-Executive Chairman

A Malaysian, aged 59, 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 on 25 July 2013 and re-designated as the Chairman of the Board of Directors of Perstima on 16 October 2013. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. He attended all five (5) Board meetings held during the financial year.

Y. Bhg. Dato' Gooi is a member of Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has more than 36 years of experience in the fields of accounting and corporate finance and was Finance Director of several private and public listed companies.

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

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

In 2008, Y. Bhg. Dato Gooi was appointed to the Board of EON Bank Berhad and was subsequently appointed Chairman of the Board in 2009, a position that he held until May 2012. In 2009, he was appointed to the Board of Amity Bond Berhad 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. On 1 January 2019, he was appointed by the Minister of Finance as a Board member of the Securities Commission Malaysia. He also sits on the Board of Yinson Holdings Berhad and Red Ideas Holdings Berhad.

Y. Bhg. Dato' Gooi has no conflict of interest with the Company and has no family relationship with any director and/or major shareholder of the Company. He has not been convicted of any 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 2020.

Hiroaki Yano

Managing Director
(Key Senior Management)

A Japanese, aged 57, male, was first appointed as Managing Director on 1 April 2017. On 5 July 2018, he ceased as a member of Remuneration Committee. He attended all five (5) 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 years 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 being 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 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 2020.

Ranko Kume

Executive Director
(Key Senior Management)

A Japanese with Malaysian permanent resident status, aged 47, female, was first appointed to the Board of Directors of Perstima as Alternate Director to Mr Hiroshi Kume on 26 February 2014. She was subsequently appointed as Non-Independent Non-Executive Director on 31 December 2015. She was re-designated as an Executive Director and ceased as a member of the Audit Committee and Nomination Committee on 1 November 2019. She attended five (5) Board meetings held during the financial year.

She graduated from the School of Arts & Science at Cornell University, New York in 1995, followed by attendance at SUNY Buffalo Graduate School of Architecture in upstate New York and the Architecture Association School of Architecture in London. She has more than 22 years of experience as a consultant and project manager in the field of architecture and interior design. Her experience as a project manager has enabled her to be a versatile in strategic planning, mediation and cost control while delivering projects in a timely manner.

She has no conflict of interest with the Company. She 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 2020.

Rin Nan Yoong

Non-Independent Non-Executive Director

A Singaporean, aged 53, male, was first appointed to the Board of Directors of Perstima on 26 March 2004 as an Independent Non-Executive Director and subsequently re-designated as 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 five (5) 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 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 2020.

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 44,000 ordinary shares in Perstima.

Dominic Aw Kian-Wee

Senior Independent Non-Executive Director

A Malaysian, aged 48, male, was first appointed to the Board of Directors of Perstima as an Independent Non-Executive Director on 15 August 2016. On the same day, he was also appointed as the Chairman of the Nomination Committee and a member of Audit Committee and Remuneration Committee. He was identified as Senior Independent Non-Executive Director on 30 October 2019. He attended all five (5) 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 24 years of working experience as an Advocate and Solicitor. He also sits on the Board of Ajinomoto (Malaysia) Berhad.

He has no conflict of interest with the Company, no family relationship with any other directors 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 2020.

Mastura Binti Mansor

Independent Non-Executive Director

A Malaysian, aged 55, female, was first appointed to the Board of Directors 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 Audit Committee on 5 July 2018. She also serves as a member of Remuneration Committee and Nomination Committee. She attended all five (5) 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 joined Proton Berhad as management trainee and later was promoted to Head of Production of Planning Department in April 1998. Subsequently, she was appointed as Head of Human Resources Division in August 1998. She resigned from Proton Holdings Berhad and joined Scomi Group of Companies as Head of Human Resources in June 2006. She was promoted as Vice President of Global Supply Chain Management in March 2013 until November 2016. In December 2016, she was appointed as Country President – Indonesia to oversee Scomi business in Indonesia. She was appointed as Director for PT Rig Tenders Indonesia tbk in September 2017.

She has no conflict of interest with the Company, no family relationship with any other directors 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 2020.

Ab. Patah bin Mohd

Independent Non-Executive Director

A Malaysian, aged 64 years, male, was appointed to the Board of Directors of Perstima as an Independent Non-Executive Director on 1 November 2019. He attended one (1) Board meeting held during the financial year since his date of appointment.

He holds a degree in Engineering from University of Sheffield, England. In 1980, he joined Felda Kilang as an Operation Engineer before joining Port Klang Authority in 1981 as an Engineer. He joined Perstima in 1981 as an Engineer and was appointed as General Manager in 1995. He was then appointed as an Executive Director of Perstima on 31 October 1998, and subsequently, resigned on 27 February 2016.

He has no conflict of interest with the Company, no family relationship with any directors 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 2020.

He has direct interest in 100 ordinary shares in Perstima.

Ho Chun Foh

Alternate Director to Rin Nan Yoong

A Malaysian, aged 58, male, was first appointed to the Board of Directors of Perstima as Alternate Director to Mr Rin Nan Yoong, a Non-Independent Non-Executive Director on 2 April 2018.

He holds a Bachelor of Accountancy (Hons) from the University of Malaya in year 1989. 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 and has no family relationship with any director and/or major shareholder of 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 2020.

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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 2020 ("FY 2020").

Company Performance and Development

Amid a challenging business climate in the financial year ended 31 March 2020, the Group recorded an encouraging revenue of RM860.0 million compared with the previous financial year of RM978.8 million. The Group's operations achieved profit after tax of RM30.9 million, a decrease of RM10.1 million from the previous year. Nevertheless, the Group's cash flow continued to be strong, with a net increase of RM17.7 million in cash and equivalent as at FY 2020.

Dividends

The Board has recommended a final single-tier dividend of 10 sen per ordinary share for the financial year ended 31 March 2020.

Industry and Prospects

The Board expects the Group's operating environment to be more challenging and competitive due to higher presence of imports and the uncertainty and volatility of Ringgit. However, the Group will continue to put in more effort in production efficiency, cost saving measures, sales performance and marketing; and to maintain good relationships with its existing customers and develop relationships with new customers. In addition, the Group will continue to implement cost improvement programmes and to enhance operational efficiency to ensure the competitiveness of the Group's products.

The Group will also continue its planned upgrade of machinery to that with the latest technology in both its Malaysia & Vietnam plants to improve efficiency in order to serve our customers better. The Group has completed the revamping of the reflow full induction heater at its Malaysia facility during this financial year. Moreover, the Group is well positioned to expand its market presence in Philippines and with these improvements and expansion, the Group will be in a better position to meet the market requirement 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. In addition, we are committed to uphold the highest standards of corporate governance and will take the necessary steps to ensure that we comply with Malaysian Code on Corporate Governance 2017.

Forward Statements

The COVID-19 pandemic outbreak has evolved and spread across nation, adversely affecting economies around the world. The pandemic has added an element of unpredictability to life and business in the markets in which the Group operates and this may continue in the next financial year.

Despite the Group's business environment becoming more challenging, the new normal has strengthened the Group's resolve to deliver sustainable value to shareholders through revenue growth from new and existing customers as well as to constantly improve on our operational efficiencies through cost control measures.

Acknowledgements

On behalf of the Board of 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. I would like to take this opportunity to extend a warm welcome to Encik Ab. Patah bin Mohd to the Board as an Independent Non-Executive Director. The Board values his wealth of experience and technical competency and looks forward to his active participation on the Board.

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' Wee Hoe Soon @ Gooi Hoe Soon
Chairman
10 July 2020

Group Business and Operations

Perusahaan Sadur Timah Malaysia (PERSTIMA) Berhad ("Perstima" or "the Company") is a producer of premier quality tinplate in Malaysia. The Company mainly focus on domestic market, however the Company also continuously exploring more business opportunity on export market as well. The Company was established 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 manufacturing and sale of tinplates and tin free steel. Perstima Utility Sdn. Bhd is involved in generation, transmission and sales of power and other utilities. Perstima (Philippines), Inc was established on 22 November 2018 and had the same principal activity as Perstima (Vietnam) Co. Ltd. Perstima Tin Plate Sdn. Bhd. is a dormant company.

The manufacturing facilities of the Group are located at Pasir Gudang Industrial Estate Johor, Malaysia and Vietnam Singapore Industrial Park (VSIP) in Thuan An District, Binh Duong Province, Vietnam. The manufacturing facilities in Malaysia is currently able to support a total maximum production capacity of 200,000 MT per annum whilst the manufacturing facilities in Vietnam can support a total maximum production capacity of 120,000 MT per annum. The newly manufacturing facilitiy is located at Light Industrial Science Park IV, Malvar, Batangas, Philippines.

Strategies in Creating Values

Perstima was accredited with ISO 9002 in the year 1995 and further accredited with ISO 9001 in year 2001. Further accreditation achievements with ISO 14000 was awarded to Perstima in year 2005. With the ISO accreditations, our customers are assured of the highest quality of our products and services.

To achieve better tinplating in the production process, the Company introduced the running of the Combine Generator (COGEN) in 2011 and Methane Sulfonic Acid (MSA) in 2012. The Company also obtained HALAL certification from the Malaysian government in year 2013 with which it is better able to explore new local and overseas markets.

Perstima is entering a new phase of expansion and growth and believe that the new manufacturing plant in the Philippines represents an opportunity for the Company to grow its earnings base and to diversify its markets. The Board believes that the Company will be able to contribute its existing expertise, assets and knowledge in electrolytic tinning and tin free steel production to successfully set up the new production line for the manufacturing plant in the Philippines. With the footing in the Philippines, the Group will become the biggest tinplate and tin free steel supplier in South East Asia region.

Review of Financial Results and Operating Activities

In the year under review, amid a challenging business climate, the Group expects to remain resilient as the Group got supported by its strong balance sheet built over the years. We are pleased to announce that the Group has recorded a Profit After Tax ("PAT") of approximately RM30.9 million for financial year ended 31 March 2020 ("FY 2020").

Key Financial Highlights

- Group's revenue decreased by 12.1% to RM860.0 million (FY 2019: RM978.8 million)
- Group's net profit after tax decreased by 24.6% to RM30.9 million (FY 2019: RM41.0 million)
- Group's basic earnings per share decreased to 31 sen, down by 24.4% (FY 2019: 41 sen)
- Group's net assets per share increased to RM4.05 up by 1.8% (FY 2019: RM3.98)

Revenue

The Group's revenue for FY 2020 stood at RM860.0 million, decrease of RM118.8 million compared with the revenue in the preceding year due to selling lower volume and weaker price, reflecting challenging and competitiveness global market trends.

Profit after Tax

The Group's PAT decreased by 24.6% to RM30.9 million, from RM41.0 million in the previous year. The decrease in PAT was mainly attributed to lower sales volume as a result of higher presence of imports and the uncertainty and volatility of Ringgit Malaysia against US Dollar.

Financial Position and Liquidity

As at FY 2020, the Group's total assets stood at RM 491.6 million, increasing 4.7% from RM 469.8 million, due to increase in non-current asset acquired by the Group. The Group increased cash and bank balance is to cater the working capital as well as initial capital expenditure expansion in Philippines.

Equity attributable to equity holders of the Company was RM 402.5 million as at FY 2020 with a return on equity of 7.7%, which is lower compared to prior year FY 2019 of 10.4%.

During the year, the Group's trade and other payables increased due to stock in transit that yet to be paid due to cut-off timing differences. Besides that, the Group's bank borrowings reduced by 14.2% to RM15.1 million, from RM17.6 million in the previous financial year.

The Group recorded higher net cash generated from operating activities of RM 89.9 million as compared to previous financial year FY 2019 of RM 32.0 million. The increase in operating cash flow is attributed by the prompt collection from customers and lower payment in trade and other payables especially at the end of FY 2020 as a result of the stock in transit yet to be paid. The Group's net cash outflow of RM42.2 million used in investing activities mainly attribute to expansion capital expenditure in Philippines. The Group's net cash outflow of RM 33.7 million used in financing activities mainly due to the dividend payment. As an overall result, the Group's cash and cash equivalent stood at RM 106.8 million, increasing 19.9% from RM 89.1 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 RM576.1 million, representing a decrease of 13.6% during the FY 2020. Our segment in Malaysia experienced a tough and challenging year, the higher presence of imports and the uncertainty and volatility of Ringgit had adversely impacted our segment. The expiration of anti-dumping in prior year had re-intensify the competition going forward. As the market continues to display pessimistic indicators, the management will continue to steer through the challenges and create positive values for the Group moving forward.

Vietnam

Our business in Vietnam is involved in manufacturing of both tinplate and tin free steel. Revenue contributed from this division amounted to RM283.9 million, representing a decrease of 9.1% during the FY 2020. The lower sales volume coupled with lower selling price had resulted lower revenue generated as compared to prior year. For Company future directions to further improve the position, the management will focus more on domestic market and continuously exploring more business opportunity in the export market. Besides that, the management will ensure high production efficiency, production cost-saving measures and good customer services to meet the needs to our customers.

Philippines

The operations in Philippines has not started during the FY 2020. The construction of factory site is still ongoing.

Risks and Its Measures

The Group is supported by a team of 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 is receiving emerging competition mainly from China and South Korea which is increasing its supply to our market. The Company anti-dumping protections had expired during FY 2019, 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. The management will consider to apply back the anti-dumping protection in the coming future if deem necessary.

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.

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

The year 2020 is expected to be very challenging for most businesses as a result of the COVID-19 pandemic and the resulting national lockdown policies are expected to have an adverse impact on social and economic conditions globally, including in Malaysia, Vietnam and the Philippines. Consequently, the Group's business operations in the year is also expected to be affected.

The Board takes on a cautious view on the outlook for the remainder of 2020 due to the unprecedented levels of uncertainty and volatility in the market. Nevertheless, the Group expects that its business will be supported in 2020 by its strong balance sheet built over the years and continuous support from its customers. The Group intends to continue to deliver sustainable value to shareholders through risk management and close monitoring on profitability of business moving forward.

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
10 July 2020

The Board of Directors ("Board") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("the Company" or "Perstima") and its subsidiaries (the "Group") recognise 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") in discharging its responsibilities in achieving the above objectives by taking various measures to enhance its corporate governance practices.

This Corporate Governance Overview Statement provides the summary of the Company's corporate governance practices during the financial year ended 31 March 2020 with reference to the three (3) principles set out in the MCCG, which are (1) Board Leadership and Effectiveness; (2) Effective Audit and Risk Management; and (3) Integrity in Corporate Reporting and 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 2020, which is available at the Company's website at http://www.perstima.com.my/data/cms/images/1595208353_perstima-cg-report-2020.pdf

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' 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 reviews and updates its Board Charter regularly to ensure it complies and consistent with 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 established a Code of Ethics and Standard of Conduct ("COC") for Directors, Management and officers of the Company ("Officers") that aims to outline the standards of business conduct and ethical behaviour especially for the Directors to discharge their duties and responsibilities, and enhance their high standards of personal integrity and professionalism. The Company has also established 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. The Company also established Anti-Bribery and Corruption Policy Statement on 29 May 2020 to avoid bribery and corruption practices in all form across the Company and the personnel at all. The COC, Whistleblowing Policy as well as Anti-Bribery and Corruption Policy Statement can be found 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 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 is clearly set out in the Board Charter.

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 and competent Company Secretaries, both have legal qualifications and 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 attend all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are in place 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 and Management.

The information of the Company Secretaries' qualification can be found in Corporate Information of the Annual Report and the functional accountabilities of the Company Secretaries is 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 provide explanation on the paper during the meeting.

Every Director also has unhindered access to the Senior Management and the advice and services of the Company Secretaries as well as to independent professional advisers including the external auditors. 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 has seven (7) members, comprising two (2) Executive Directors and five (5) Non-Executive Directors of whom four (4) are Independent Directors. The Board has met the Paragraph 15.02 of the MMLR of Bursa Securities and the recommended practice 4.1 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 the 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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

1. Board Composition and Balance (cont'd)

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 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.

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.

Mr Hiroaki Yano, Pn Mastura Binti Mansor and En Ab. Patah Bin Mohd shall retire from office and be eligible for re-election pursuant to the Constitution of the Company at this forthcoming Forty-Second AGM. 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 on mix of skills and experience of each Director, individual Directors' self evaluation, Evaluation of Competency of Directors, an assessment of Character, Experience, Integrity, Competence and Time Commitment for individual directors and MD, an evaluation in respect of the effectiveness of the Committees of the Board. The Nomination Committee also assessed the independence of its Independent Directors and reaffirmed their independence in accordance with the criteria of Independent Directors as provided in the MMLR of Bursa Securities. None of the Independent Directors has served more than a cumulative of nine (9) years.

Based on the annual assessment results, 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 Nomination Committee also has deliberations with the Board in assessing new skill sets/knowledge that may be required by the Board members and MD 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 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 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 Director of the Company as all of the Directors had attended all the Board meetings during the financial year ended 31 March 2020. 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 2020, the Board met on five (5) 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.

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

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

2. Directors' Commitment (cont'd)

Details of each Director's attendance of the meetings held during the financial year ended 31 March 2020 are as follows:-

Name	Attendance					Total	Percentage (%)
	29 May 2019	5 July 2019	19 August 2019	30 October 2019	6 February 2020		
Dato' Wee Hoe Soon @ Gooi Hoe Soon (Independent Non-Executive Director, Chairman)	✓	✓	✓	✓	✓	5/5	100
Hiroaki Yano (Managing Director)	✓	✓	✓	✓	✓	5/5	100
Ranko Kume # (Executive Director)	✓	✓	✓	✓	✓	5/5	100
Rin Nan Yoong (Non-Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5	100
Dominic Aw Kian-Wee (Senior Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5	100
Mastura Binti Mansor (Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5	100
Ab Patah Bin Mohd * (Independent Non-Executive Director)	–	–	–	–	✓	1/1	100

Re-designated from Non-Independent Non-Executive Director to Executive Director on 1 November 2019.
* Appointed as Independent Non-Executive Director of the Company on 1 November 2019. There was one (1) meeting held since his appointment.

The Directors are to devote sufficient time and effort to carry out their duties and responsibilities. The Board had set a policy for Directors to notify the Chairman of the Board before accepting any new directorships in other public listed companies. This is to obtain the commitment from Directors to perform his/her duties and responsibilities in the Company.

3. Delegation by the Board

The Board delegated specific responsibilities to Board Committees namely, Nomination Committee, Remuneration Committee and Audit Committee, which operate with its own written terms of references that defines its responsibilities and the terms of references, which are periodically reviewed by the Board, are available at the Company's website at www.perstima.com.my. The Board Committees meet independently and the Chairman of the various committees will report to the Board on the outcome of the Committee meetings and such reports are incorporated in the minutes of the Board meetings and all Directors are given the opportunity to raise any concerns or questions arising from these minutes. These committees are formed in order to enhance business and operational efficiency as well as efficacy. The ultimate responsibility for decision-making lies with the Board.

An overview of each committee's functions and responsibilities are as follows:-

Nomination Committee	Meeting Attended
Dominic Aw Kian-Wee – Chairman (Senior Independent Non-Executive Director)	2/2
Dato' Wee Hoe Soon @ Gooi Hoe Soon – Member (Independent Non-Executive Director)	2/2
Mastura Binti Mansor – Member (Independent Non-Executive Director)	2/2

Note:
i) Ms Ranko Kume resigned as a member of Nomination Committee consequent to her re-designation as Executive Director of the Company on 1 November 2019. She attended all two (2) Nomination Committee Meetings held during her tenure of office.

<u>**Responsibility:-**</u>

- Recommends new suitable candidates to fill vacancies within the Board and its committees.
- Reviews annually, 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)	2/2
Dato' Wee Hoe Soon @ Gooi Hoe Soon – Member (Independent Non-Executive Director)	2/2
Dominic Aw Kian-Wee – Member (Independent Non-Executive Director)	2/2
Mastura Binti Mansor – Member (Independent Non-Executive Director)	2/2

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

3. Delegation by the Board (cont'd)

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)	5/5
Dato' Wee Hoe Soon @ Gooi Hoe Soon – Member (Independent Non-Executive Director)	5/5
Dominic Aw Kian-Wee – Member (Senior Independent Non-Executive Director)	5/5
Rin Nan Yoong – Member (Non-Independent Non-Executive Director)	5/5

Note:

i) Ms Ranko Kume resigned as a member of Audit Committee consequent to her re-designation as Executive Director of the Company on 1 November 2019. She attended all four (4) Audit Committee Meetings held during her tenure of office.

Responsibility:-

- 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.
- Review any related party transactions and conflict of interest situation that may arise with the Company and the Group.

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).

The training programmes attended by the Directors during the financial year ended 31 March 2020 are as follows:-

i. 6th SC x SC Fintech Conference 2019
ii. Synergy 2019 : Geared for Growth
iii. Lesson Learnt from Project Failures by EY
iv. Cyber Security in the Boardroom : Accelarating from Acceptance to Action
v. 10th Annual dbAccess Asia Conference 2019: Asia's Leading Investor Forum
vi. Bursa Malaysia Secretaries Thought Leadership: Sustainability-Inspired Innovations: Enablers of the 21st Century
vii. International Directors Summit 2019
viii. Audit Oversight Board – Conversation with Audit Committees

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 2020 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' Wee Hoe Soon @ Gooi Hoe Soon	185,000	-	-	-	-	185,000
Hiroaki Yano	-	489,000	100,000	91,960	-	680,960
Ranko Kume	-	100,000	50,000	5,000	-	155,000
Rin Nan Yoong	85,000	-	-	-	-	85,000
Dominic Aw Kian-Wee	90,000	-	-	-	-	90,000
Mastura Binti Mansor	95,000	-	-	-	-	95,000
Ab Patah Bin Mond	20,833					20,833

Company Level

Name of Directors	Fees (RM)	Salaries (RM)	Allowances (RM)	Benefits in Kind (RM)	Other emoluments (RM)	Total (RM)
Dato' Wee Hoe Soon @ Gooi Hoe Soon	185,000	-	-	-	-	185,000
Hiroaki Yano	-	489,000	100,000	91,960	-	680,960
Ranko Kume	-	100,000	50,000	5,000	-	155,000
Rin Nan Yoong	85,000	-	-	-	-	85,000
Dominic Aw Kian-Wee	90,000	-	-	-	-	90,000
Mastura Binti Mansor	95,000	-	-	-	-	95,000
Ab Patah Bin Mond	20,833					20,833

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee led by Pn Mastura Binti Mansor, assists the Board in 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, maintain 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 2020, 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 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 2020 are provided 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 in the absence of Executive Board members and management staff. The results of the audits and recommendations for improvement were presented at the Audit Committee meeting.

Details of the Risk Management and Internal Control Framework put in place during the financial year ended 31 March 2020 are provided in the Statement of 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) Annual Report.
(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 as well as Anti-Bribery and Corruption Policy Statement.

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.

The Chairman of the Audit Committee, Nomination Committee and Remuneration Committee was present at the last AGM. 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.

For good corporate governance practice, the Notice of the Forty-First AGM was circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report, which is in line with Section 316(2) of Companies Act 2016 and Paragraph 7.15 of MMLR of Bursa Securities and the MCCG. Notice of AGM was also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows 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.

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

II. Conduct of General Meetings (cont'd)

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.

The outcome of all resolutions proposed at the previous AGM was announced to Bursa Securities at the end of the meeting day while the Minutes of the previous AGM were published on the Company's website as soon as practicable after the conclusion of the AGM.

During the year, The Board has established the Anti-Bribery and Corruption Policy statement way ahead to the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act), which will come into effect on 1 June 2020. The objective on setting up this policy is to prevent and against all forms of bribery and corruption at all level of personnel of the Company. It aims to maintain the high level of integrity and ethics in the Group to create bribery and corruption-free environment to all employees.

The CG Overview Statement was approved by the Board of Directors on 10 July 2020.

Other Disclosures

1. Key Senior Management

Save for the MD and Executive Director, who are also the Directors of the Company, there is no other key senior management.

2. Material Contracts

As at 31 March 2020, 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 2020	JFE Shoji Corporation	Supply of Raw Materials	57,174	Cash	20,730

3. Contracts Relating to Loans

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

4. Recurrent Related Party Transactions

The aggregate values of the transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2020 were as follows:-

Type of Transactions	Party & Relationship	Total (RM'000)
Purchase of raw materials	JFE Shoji Corporation, a substantial shareholder of the Company.	519,679
Purchase of raw materials, consumables & plant and equipment	JFE Materials and Machinery Corporation, a wholly-owned subsidiary of JFE Shoji Corporation.	4,150
Sale of tinplates	JFE Shoji Steel Malaysia Sdn. Bhd., an associate company of JFE Shoji Corporation.	2,159
Sale of tinplates	JFE Shoji Trade Australia Inc., a wholly-owned subsidiary of JFE Shoji Corporation.	1,241
Sale of tinplates	JFE Shoji Trade India Pvt. Ltd., an associate company of JFE Shoji Corporation.	260
Sale of tinplates	Kawarin Enterprise Pte.Ltd., an associate company of JFE Shoji Corporation.	-

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

Other Disclosures (cont'd)

5. 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 2020 are as follows:-

Type of fees	Group RM'000	Company RM'000
Audit fees	166	105
Non-audit fees	27	20

6. 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.

7. Utilisation of Proceeds

The Company did not raise any funds through any corporate proposals during the financial year.

8. 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 2020.

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 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 10 July 2020.

ABOUT THIS STATEMENT

The Group has developed its sustainability strategy with aims to create sustainable values to its stakeholders and bring positive impact to the environment and society. By promoting "complying with laws and regulations, highly transparent governance, respecting of human rights, health and safety, social contribution and environmental preservation", the Group is dedicated to its mission of "being a company whom is trusted by the society". This statement discloses the economic, environmental and social ("EES") performance of the Group over different sustainability matters for the year ended 31 March 2020. It also demonstrates its strategies and commitment to its EES responsibilities. This statement has been prepared in accordance with the Listing Requirements, Sustainability Reporting Guide and Sustainability Toolkits issued by Bursa Malaysia Securities Berhad. Performance data of this statement were compiled internally for a period of 12 months.

Sustainability Statement

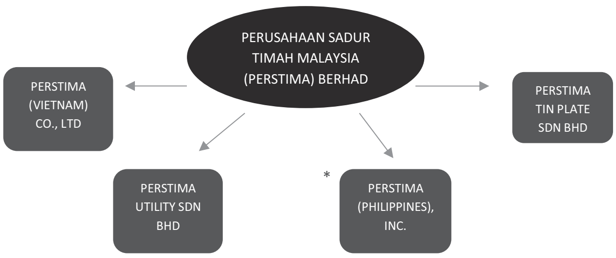
This statement covers the environmental and social performance of two major components within the Group, namely Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("PTM") located in Malaysia and Perstima (Vietnam) Co., Ltd. ("PVCL") located in Vietnam. In this statement, the Group presents its major business activities related to manufacturing and sale of tinplates and tin free steel, which together contributes 100% of the Group's total revenue for the year ended 31 March 2020.

The financial reporting period of this statement is from 1 April 2019 to 31 March 2020 ("FY2020"), unless otherwise stated.

Sustainable Governance

Sustainability Governance Structure

Perusahaan Sadur Timah Malaysia (Perstima) Berhad has two plants located in Malaysia and Vietnam. The chart below shows the corporate structure of Perstima.



Note :

All subsidiary 100% owned except for Perstima Philippines.

* Perstima Philippines controlling interest 99.9%

Figure 1 Corporate Structure Information

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.

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 dedicated sustainability team to manage sustainability matters within each business division in the Group. 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.

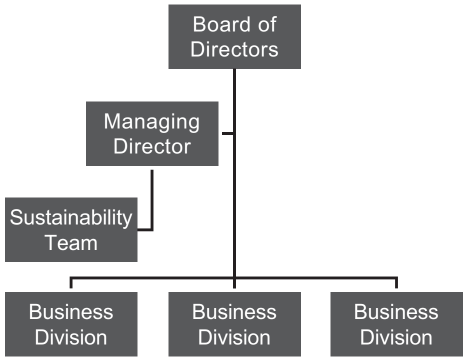


Figure 2 Corporate Sustainable Structure

Stakeholder Engagement

As a multinational enterprise, with the goal to strengthen the sustainability approach and performance of the Group, the Group has put in tremendous effort to listen to both its internal and external stakeholders as shown in Figure 3 below. The Group actively collects feedback from its stakeholders regularly through the following preferred communication channels. The Group strives to incorporate their feedback for business improvement.

Figure 3 Stakeholder Engagement

Stakeholder Engagement (cont'd)

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 onsite visits - Customer service hotline and email
Suppliers	- Fair and open procurement - Maintaining long-term relationship	- Open tendering - Suppliers' satisfactory assessment - Face-to-face meetings and onsite visits - Industry seminars
Communities	- Involvement in communities - Business compliance - Environmental protection awareness	- Media conferences and responses to enquiries - Public welfare activities

Government and Regulatory Authorities

Perstima will ensure that its subsidiaries and employees at all times strictly adhere to regulatory authorities and comply with the local regulation and tax laws. Perstima also adheres to local authorities in areas it operates to minimize the disruption to its business. Perstima also strictly adheres to the Department of Environment Malaysia as well as Ministry of Science and Technology Vietnam local regulations as well as the by-laws.

Shareholders and Investors

In recent years, institutional investors have shifted the way to evaluate a company. One emphasis from this perspective of evaluation is engagement. The dialogue between companies and their shareholders as well as investors is growing in terms of strategies and efforts to improve corporate value. Trends to promote even broader engagement are growing after the recent amendments for companies to comply with Sustainability Statements.

Perstima places great importance on engagement from the perspectives of properly assessing the corporate value and earning trust from the market. The Group discloses a wide range of information, including non-financial information, in a timely and transparent manner to facilitate understanding among stakeholders of our management policies and business strategies, while regularly feeds back the opinions and requirements of investors who are a vital stakeholder into operations to put in place measures toward sustainable growth.

Perstima has put in place measures to respond to the diverse expectations and requirements of each stakeholder while facilitating good communication not only on a daily basis in business activities but also takes advantage of various other opportunities.

Our measures to engage the stakeholders are shown in the table below:-

Stakeholders	Stakeholders Engagement
Disclosing timely and accurate information Pursuing informational transparency and accountability Executing the appropriate premium redemption to shareholders	Holding general meetings of shareholders, financial results briefings, investor briefings, analyst briefings and other relevant meetings Communicating information on websites, shareholder correspondence, briefing materials and in other relevant forms

Customers Engagement

Customers are why we existed. We believe customers' engagement is extremely important and for this reason we exist because of our customers. To understand, Perstima conducts comprehensive efforts in ensuring we supply customers' quality products and ensuring safety of our products.

We conduct an annual survey once a year to understand the needs of our customers as well as to gather information require to ensure we are able to meet today's challenges to ensure we stay relevant in spite of the growing environment concerns in our line of business.

Consumer Engagement	Engagement Method
Product Quality and Safety	Customer Satisfaction Survey
Disclosing timely and accurate information and providing accountability	Websites and other media
Understand the requests and needs of consumers and improve satisfaction through communication	

Employees and Families

Employees and Families	Engagement Method
Establishing and providing a healthy working environment where people can work safely that respects human rights without any discrimination Equally and fairly evaluating personnel Establishing educational systems able to drive and improve skills Establishing measures, policies and other regulations to enhance the work-life balance	Conducting regular consultations and performance reviews Conducting employee satisfaction surveys Installing a compliance counter Carrying on a dialogue (casual discussions) between the president and employees Holding Family Open Day Carrying out meetings with management made up of both labour and management committee members Publishing internal magazines and putting in place an intranet

Business Partners/Suppliers

At Perstima, business partners are vital for our operations, and Perstima continuously engage with our business partners to ensure minimum interruption to our *business operations.*

Stakeholder Engagement (cont'd)

Business Partners/Suppliers (cont'd)

The table below depicts the Business Partners/Suppliers Engagement.

Business Partners	Business Partners Engagement
Building equal and fair relationships with business partners Improving the occupational health and safety environment Complying with all relevant laws	Engaging in purchasing and procurement activities Conducting safety conferences, safety patrols and suppliers meetings Conducting workshops and informational exchange meetings Conducting supplier evaluations (surveys and questionnaires)

Local Community

Perstima recognizes the importance of to the local community when involve in business dealings and we recognize the importance in sustaining the local community through job creations. The table below depicts our local community engagements.

Local Community Engagements	Communication Method
Contributing to solutions to local challenges in society	Participating in employee volunteer activities Supporting the formation of communities through social contribution activities

Business Conduct

Integrity Operational Matters

We conduct our activities in accordance with the laws, rules, and regulations in the various places we operate as well as support our employees to consistently uphold the highest standards of integrity and accountability.

Anti-Bribery and Corruption Policy

It is the policy of Perstima to conduct all of its business in an honest and ethical manner and to act in good faith. Perstima takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective Anti-bribery Management Systems (ABMS) to counter bribery and corruption.

Perstima will uphold and comply with all anti-bribery and anti-corruption laws in Malaysia and in all jurisdictions in which it may operate.

Whistleblowing Policy

Our existing Whistle Blowing Policy can be found at our website link below: - perstima.com.my/data/cms/images/1563954161_whistleblowing-policy-final.pdf

Corporate Disclosure Policy

Perstima is committed to the principles and best practices of corporate governance as laid out in the Malaysian Code on Corporate Governance ("MCCG") to ensure that standards of corporate governance are being observed throughout the Group with the ultimate objective of enhancing long term shareholders value and returns to our stakeholders.

Our Corporate Disclosure Policy & Procedure can be found at our website link below: - perstima.com.my/data/cms/images/1563954362_corporate-disclosure-policy-procedure-final.pdf

Code of Ethics

As part of our compliance, we instilled Code of Ethics into our business practice and operations. Our Code of Ethics & Standard of Conduct can be found at our website link below: - perstima.com.my/data/cms/images/1563954477_code-of-ethics-standard-of conduct-final.pdf

An overview of the Material Assessment

For purpose of our Material Assessment, we will define our scope of work within manufacturing of tinplate at our Malaysia and Vietnam plants. For this financial year scope of work, we assess based on the following materials.

MATERIALS ASSESSMENT

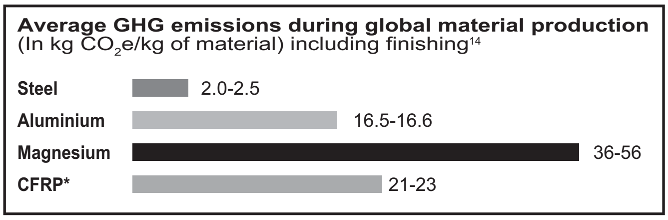
Environment & Recycling

Steel has already played a vital role in transforming the world into the one we know today. It will continue to be just as important to our future – be it for the infrastructure of our growing cities or the way we protect and preserve food and make any product available to anyone, anywhere, at any time.

With this industrial and economic leadership comes great responsibility. As an industry we support the belief that sustainable development must meet the needs of the present without compromising the ability of future generations to meet their own needs. We have long recognised the importance of reducing our global footprint through continuous improved manufacturing processes, breakthrough technology, and development and increased recycling.

At the same time, as individual companies we know that our reach and responsibility extend much further into the communities that we sustain and touch, whether directly or indirectly. Qualified and motivated employees are key to the sustainable future of our industry, and we support them with a variety of initiatives and programmes.

Based on research by steel in the circular economy a life cycle perspective by World Steel Association, steel is 100% recyclable without loss of its inherent material properties and is the most recycled material in the world. Based on the diagram below, the emission of CO2/per kg for steel production is among the lowest as compared to other material production.



Another consideration for sustainable development, is the recycling rate for metal. As shown in the diagram below, raw materials used to produce tinplate comprise natural resources, residues of metal as well as scrap metals. Another useful aspects of tinplate being sustainable would the life cycle of its product. All tinplate final product after use or disposed can be recycled without going to the landfill.

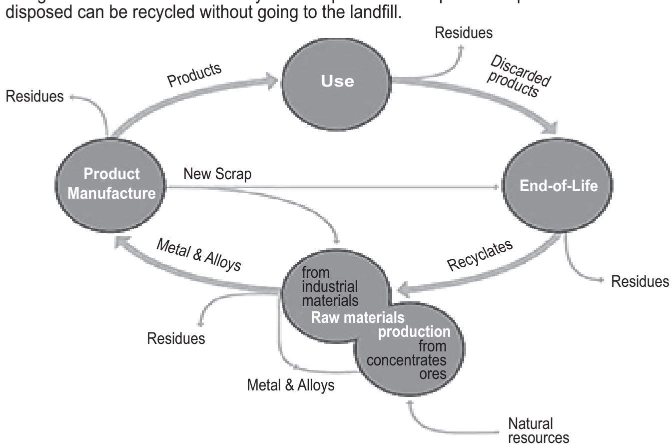


Figure 4 Lifecycle of Manufacturing of Tinplate

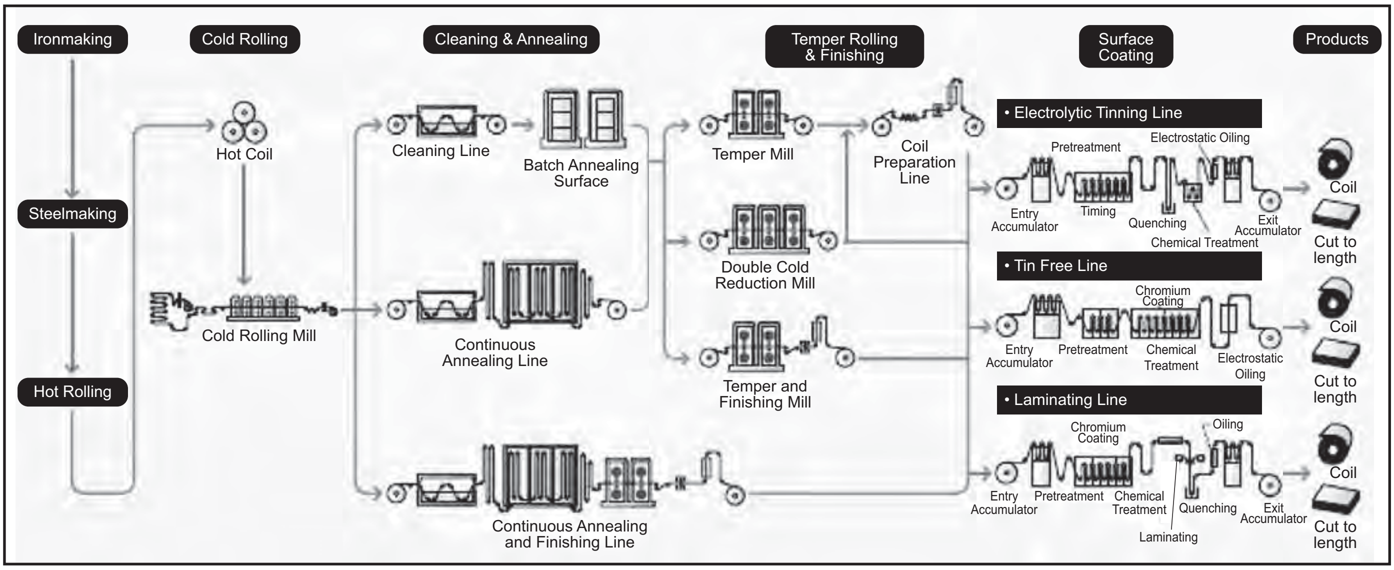
The following diagram depicts the manufacturing process and waste and effluents produced from such process. Perstima manufactures the tinplate by continuous electro-tinning process, of which the process has superior properties due to the uniformity of coating weights, availability of differential coating and proper chemical treatment. Perstima uses the latest technology in electro-tinning process, which is called MSA (Methane Sulfonic Acid) solution. MSA solution is an acid which has an organic base and environment- adaptive.

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

Environment & Recycling (cont'd)

MSA is a chemical compound which is environment friendly and the aqueous solubility of metal methane sulfonates, the conductivity of aqueous methane sulfonic acid (MSA) solutions and the low toxicity of MSA all make MSA (aq) an ideal electrolyte for many electrochemical processes, especially those involving tin and lead.

Aspects of aqueous process effluent treatment, acid recovery and metal alkanesulfonate salt preparation are also environmentally favourable.



As such, Perstima, complies with all Legal Environment standards. The Group complies with international standard, ISO 14001 and local applicable environmental laws and regulations which is related to environmental management system. ISO 14001 and local applicable environmental laws and regulations specifies a process for the control and continuous improvement of an organisation's environmental performance. The management tool enables an organisation to identify and control the environmental impact of its activities and products to continuously improve its environment performance and implement a systematic approach to set and achieve environmental objective and targets.

The Group had customised a policy on quality environmental management. Content in the policy of quality environmental management are listed below:

- Identifies materials, processes, product and waste which causes or may possibly cause pollution and implement measures;
- To avoid, reduce or control pollution where technically and economically viable relating to its environmental aspects;
- Establishes objectives and targets to minimize waste and converse natural resources and design programs with the commitment for continual improvement;
- Committed to protect environment, including prevention of pollution; and
- Committed to comply with applicable legal and other requirements which relating to environment aspects of the Group.

Effluents – Wastewater

Hazardous wastewater generated mainly from Electrolytic Tinning Line ("ETL") process since there were mixture in the usage of chemical and water during this process. The Group has wastewater treatment which minimises impact to the environment upon releasing the treated wastewater to the water cycle. The wastewater treatment is a process used to convert wastewater to an effluent that can be returned to the water cycle according to the local regulations standard.

In addition, the Group has a laboratory specifically for testing the wastewater process on a daily basis and further precaution measures were taken by hiring an external party to ensure the processed wastewater returned to the water cycle does not exceed the standards determined by Department of Environmental (DOE) on a monthly basis. Annual hazardous wastewater generated by the Group in FY2020 is as below:

Major Components	Annual hazardous wastewater generated (m3)	
	Acid Alkali	Chrome
PTM	312,136	259,007
PVCL	141,130	187,061

Non-hazardous wastewater was generated concurrently with the hazardous wastewater in FY2020 however the quantity generated is slightly lower when comparison is done with the hazardous wastewater. Annual domestic or non-hazardous wastewater is treated by the Group's own water treatment plant. Annual domestic or non-hazardous wastewater by the Group in FY2020 is as below:

Major Components	Annual domestic / non-hazardous wastewater generated (m3)
PTM	92,977
PVCL	55,680

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, bag of chemical, chemical container by metal, chemical container by plastic, chemical container by other material, and glove or rag with oil or grease. All hazardous wastes are disposed to contractors whom are certified by the DOE. Those

Environment & Recycling (cont'd)

Solid Wastes (cont'd)

hazardous solid wastes are mainly produced during the process of manufacturing of tinplate and tin free steel.

The non-hazardous solid wastes are mainly leftover of metal, wood and paper which were generated during manufacturing of tinplate and tin free steel. Certain leftover wooden skid can be recycled hence the Group has used those leftover wooden skid as packing materials for the finished goods which lead to the Group being able to reduce the usage of wood. Reduction in the usage of wood will result in a reduction of the number of trees chopped. The Group has performed the separate collection method on daily domestic garbage to ensure the reuse of the recyclable waste. Domestic and non-hazardous solid wastes and hazardous solid wastes in FY2020 by the Group's major componentsare as below:

Major Components	Domestic and Non-Hazardous Solid Wastes (tonnes)	Hazardous Solid Wastes (tonnes)
PTM	166	162,000
PVCL	863	347,300

Welfare of Employees

EMPLOYMENT PRACTICES

Workplace

Perstima practices fair employment practices and has adopted the following practices as listed below :

Fair Employment Practices

In addition to develop a healthy and safe workplace, we strive to provide our employees a diverse and inclusive working environment where their human rights are respected. In upholding human rights of our employees and to prevent human rights violations, we have to put in place policies and procedures to ensure a healthy, safe and secure workplace.

To demonstrate Perstima commitment to have fair employment practice, and due to our nature of our working environment, Perstima places high priority on the Occupational Hazard Work Environment as well as the welfare of the staff.

a. Equal Employment Opportunity

In the appointment and recruitment process of Perstima, we pride ourselves in being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, creed, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the working environment for all the employees.

b. Workforce Diversity

We believe in keeping one of our key stakeholders, i.e. our employees engaged with the aim to bring forth their full potential and enabling a satisfying career for each of them. At the same time, we are inclusive and mindful to encourage balanced participation of female employees in our business. We continue to promote and attract talents from the local community or within the same state which we operate in. We are proud to contribute to the local economies by creating employment in the communities in which we operate, majority of our staff coming from the local communities.

c. Adherence to Minimum Wages

We observe the respective countries minimum Wage Guideline and its subsequent amendments and when announced by the government.

d. Prohibition of Harassment

We are committed to provide a working environment which is conducive, safe and free of any form of harassment and unlawful discrimination. The Group views sexual harassment as a serious violation of our rules and regulations and work values. To prevent discrimination, we have a sexual harassment policy and a grievance procedure available to all and we ensure that employees are briefed about these.

During the reporting period, there were no recorded instances of discrimination. Any employee found guilty of such misconduct will be subject to disciplinary actions that may include dismissal.

e. Prevention of Child Labour

We observe and condemn all forms of child slavery and labour in our employment. We employ only those 18 years and above in our recruitment exercise. This is in line with the policies of the international labour organisation. The Group had set up an age verification policy on going against illegal employment on child labour, underage workers and forced labour and ensuring juvenile workers are in compliance with the relevant regulations. Valid identity documents are requested by the Group's human resources department before confirmation of employment in order to safeguard that applicants are lawfully employable.

f. Employees' Benefits and Compensation

We value the contributions of our diverse employees and continuously attract talents to join us by providing a supportive working environment as well as development opportunities. We provide an integrated welfare system and treat all employees equally on all of our sites.

The Group complies with the various local statutory requirements and regulations on wages and benefits such as minimum wages order, statutory social contributions and others as required by law.

Other employee welfare bonuses include travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel accident insurance, communications expenses, uniform and personal protective appliances, application of residence permits for current employees, staff compensation leave, festive gifts and events. This is to express our Group's commitment for optimal work-life integration, and personal effectiveness.

g. Training and Development

In building a strong workforce, we are committed to provide an environment for our employees to enhance their skills and knowledge within the industry. This will benefit not only the personal growth and development of our employees but also the company's growth as a whole.

Training is also very important to ensure that our employees have the required competencies to perform their work and deliver their best output. We therefore encourage our employees to expand their knowledge and to foster personal growth and development by taking on new roles and responsibilities.

Welfare of Employees (cont'd)

EMPLOYMENT PRACTICES (cont'd)

Fair Employment Practices (cont'd)

g. Training and Development (cont'd)

Perstima trained an average 15 hours per year per employee for the financial period for both the PTM and PVCL. The chart below shows the type of training provided and training accorded to different level of staff as shown in the chart below.

Based on the chart below, both PTM and PVCL contributed significantly to the training and development of staff, to ensure the staff is well trained as well as to ensure staff retention.

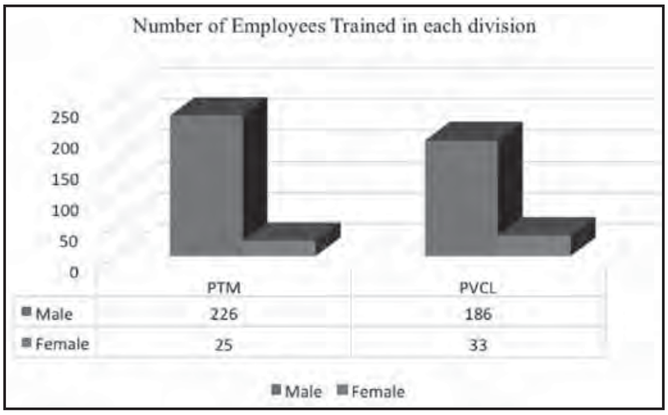


Figure 5 Number of Employees trained in each division

OCCUPATIONAL AND HEALTH SAFETY

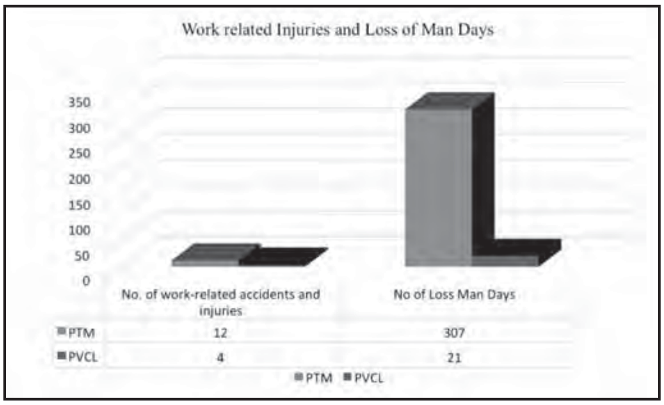
Being a responsible company, the Group has categorised welfare of employees as one of their top priorities and personnel have been specifically allocated to oversee the occupational health and safety of its employees. The Group therefore endlessly creates and maintains the high standard of safety, health protection and good working conditions for its employees by establishing comprehensive mechanism in committing to workplace safety. Comprehensive mechanism is prepared by incorporating a range of occupational health and safety measures for all of its employees in the workplace. The Group aims to maintain a healthy, non-toxic, non-hazardous and safe working environment and measures taken to achieve such goal are listed below:

- Preparing a safe and healthy working environment for workers;
- Providing relevant trainings for all employees to ensure the works are completed safely;
- Preventing reoccurrence of similar accidents through investigations and prevention actions; and
- Ensuring the employees complies with regulations under Occupational Safety and Health 1994 (ACT514).

The Group has formulated and strictly enforced internal occupational safety policies, such as accident handling procedure, firefighting procedure and portable machine checking as stipulated to ensure and improve the safety aspects of working environments of employees. The Group also provides working uniforms to employees such as safety shoe, safety helmet, ear muff, ear plug, eye protection, mask, respirator, nitrile chemical glove, safety apron, safety harness, welding face shield and anti-cut glove. Besides that, the installation of fire equipment such as automatic smoke spray system and powder fire extinguishers in the working place has been implemented. Regular inspections and reviews such as noise monitoring test and Chemical Health Risk Assessment (CHRA) based on Occupational Safety and Health Administration (OSHA) requirement are carried out to examine the health & safety measures' effectiveness.

The Group is insured against liabilities for personal injuries that may occur to its employees during the operation of the Group's activities. Moreover the Group has also purchased insurances, such as medical insurance and social welfare insurance, for all of its employees. It is inevitable for injuries to occur even if all precautions were taken up hence work-related fatalities and lost days due to work injury occurred during the Group's related activities for FY2020 is listed at below. In FY2020, no work-related fatalities due to work injury had occurred in the Group's related activities.

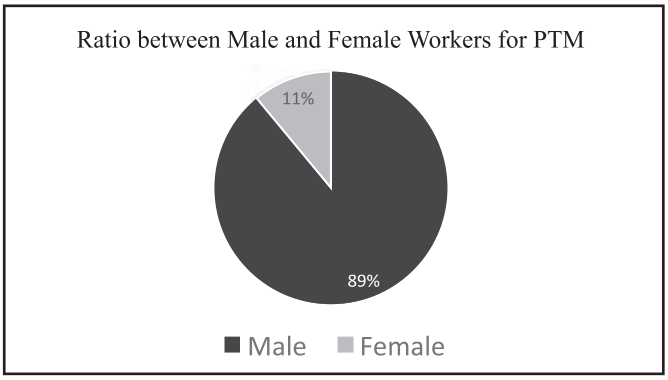
The diagram below shows the number of work related injuries during the financial period assessed :



Diversity

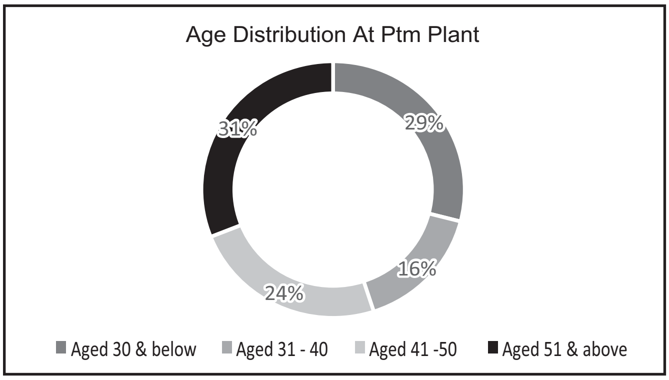
Perstima will endeavour to provide more employment opportunities for local workers as well as to provide the necessary training to upgrade the skills of local workers.

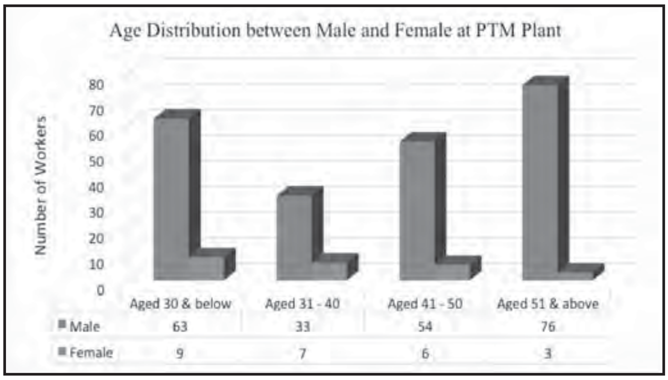
As shown in the diagram below, PTM has 11% of female workers and 89% of male workers.



Diversity (cont'd)

For age distribution, PTM has relatively young group of people working in the premises. Based on the overall workforce at PTM, approximately 29% are age under 30 and below whereas age between 31 to 40, represent 16% of PTM workforce.





Perstima play an important role in providing local opportunities in terms of diversity in all its divisions and its other subsidiaries. In other subsidiaries, PVCL chart below depicts the PVCL diversity. Figure 6 shows PVCL comprise 33 females and 186 male workers, where female workers made of 15% and male make up 85% of the total workforce.

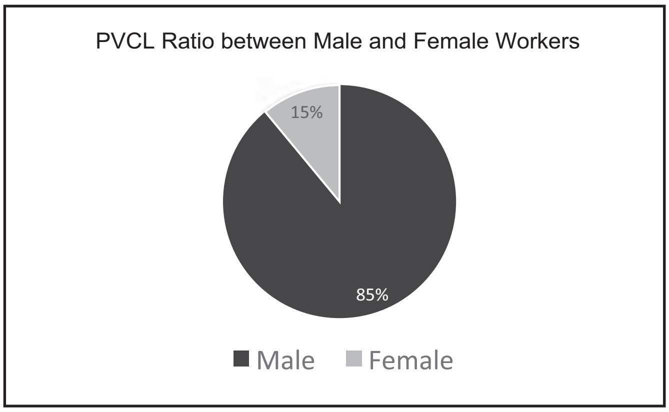


Figure 6 PVCL Ratio between Male and Female Workers

For age distribution, PVCL has relatively young group of people working in the premises. Based on the overall workforce at PVCL, approximately 36% are age under 30 and below whereas age between 31 to 40, PVCL has 56% of the workforce.

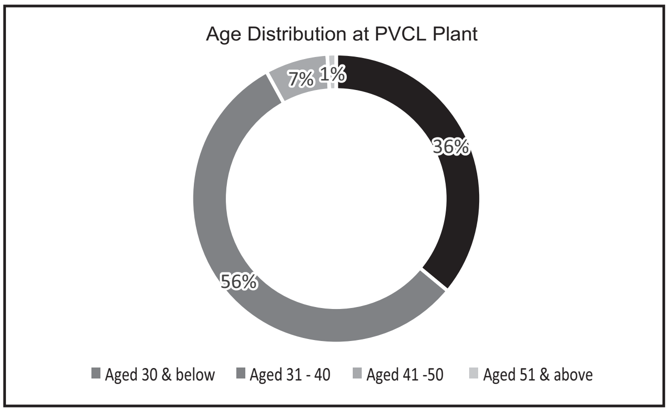


Figure 7 % showing PVCL Age Distribution

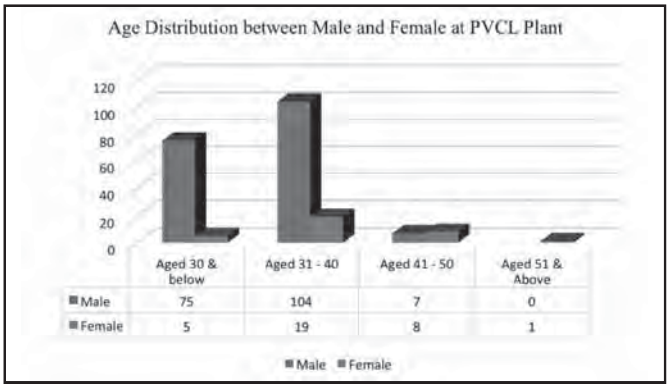


Figure 8 Age Distribution between Male and Female at PVCL Plant

In view of the high percentage of young workers available, PVCL ensure all its employees are adequately trained to ensure all company procedures are followed and adhered to. Perstima practise diversity both in Vietnam and Malaysia.

Market Place

PRODUCT RESPONSIBILITY

Product Responsibility

The Group had set up a Quality Assurance Department to ensure quality of products meet buyer's production standards as per Restriction of Hazardous Substances Directive (RoHS). No products of the Group were subject to recalls for safety and health reasons for FY2020. The Group conducts testing on raw materials, semi-finished products and finished products by dispatching quality controllers to its manufacturing facilities in order to track and detect any potential defective products. Products are required to go through internal quality control assessment and a certain standard of quality is required to be met before goods are delivered to their customers.

Market Place (cont'd)

PRODUCT RESPONSIBILITY (cont'd)

Product Responsibility (cont'd)

The Group gives paramount importance to the opinions and complaints of its customers. When the Group receives complaint on its products and services via phone, email or on-site meeting, the Group will investigate the issue before providing an appropriate response to its customers. All investigation will be recorded in the manual of "Improvement Corrective Action Plan".

The manual contains root cause and corrective or preventive action where it will be highlighted to all production head/supervisor/leader which requires more attention to prevent reoccurrences. The manual will be circulated among the Group on monthly basis.

As part of its product social responsibility, Perstima as a whole, adhere to international standards in designing safe products for consumer usage.

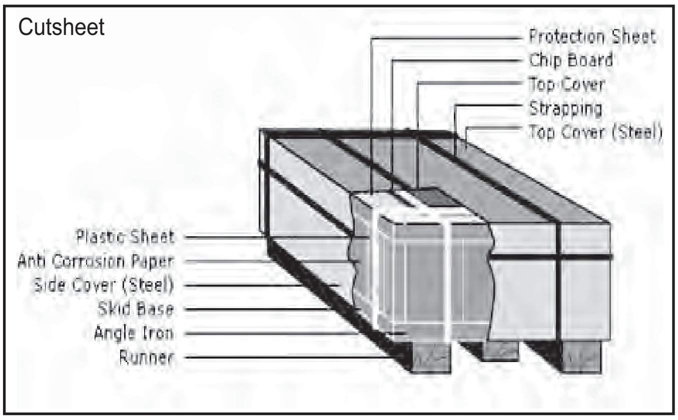
Designing Safe Products

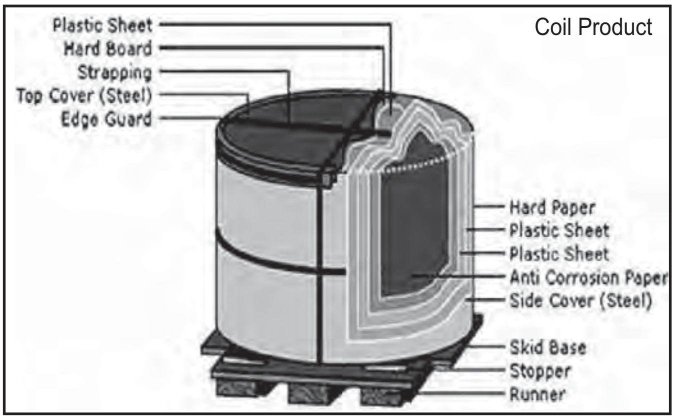
Perstima keeps in mind as a socially responsible company, it will consider the needs of the target market and it is essential that a safe product is developed. The manufacturer and retailer will be required to abide by laws that are in place to protect the consumer. If the product is for a child, sharp or small parts that will come off when chewed or pulled, or long ribbons and cords, cannot be included as they might injure or choke the child. Tinplates used for children toys etc must be labelled: ***"Keep away from Children"***. Sample of our applications for tinplate are shown in the picture below :

Figure 9 Picture Courtesy of JFT Steel Corp

Labelling and information relating to products and services

Labelling in the tinplate is complex and a daunting task. As a socially responsible and sustainable company, Perstima and its subsidiaries ensure that all labelling information about the product conform to the various guidelines as set by the importing country, in which Perstima export the tinplate to. Examples of product labelling are shown below are one of many Perstima conformity. Labelling on the product and its packaging will provide the relevant information about:



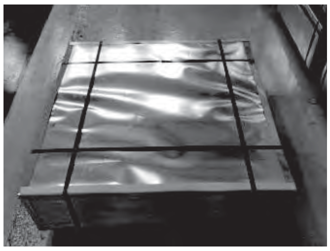
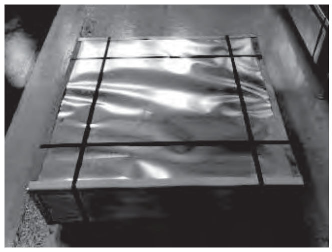


Special care is required for packing as to prevent rust, abrasion and scratching. The maximum for each cutsheet is 2 Metric Ton and each coil is 10 Metric Ton. Marking for each package is marked with package number specifying product grade, dimensions, designated coating weight, thickness, temper, oiling weight, number of sheets and net weight. Other marks if desired can be requested.

Labelling and information relating to products and services (cont'd)

Samples of marking and labelling as illustrated for domestic and export :



Privacy and Data Protection

Our office in Vietnam will strive to comply the various regulations under the Ministry of Information and Communication Republic Socialist of Vietnam such as the recent Law on Cyber Information Security (Law No. 24/2018/QH14) (the "LCIS"). Other relevant provisions can be found in the Constitution, the Civil Code (Law No. 91/2015/QH13), the Law on Protection of Consumers' Rights (Law No. 59/2010/QH12), the Law on E-Commerce (Law No. 51/2005/QH11), the Law on Information Technology (Law No. 67/2006/QH11), the Law on Insurance Business (Law No. 24/2000/QH11 as amended by Law No. 61/2010/QH12), and the Law on Credit Institutions (Law No. 17/2017/QH14). Perstima will strive to adhere to the following regulations and in the meantime, as Group, information collected by the Group from its customers would solely be used for the purpose of which it has been collected. The Group forbids the provision of customer information to a third party without consent from customer. Furthermore, after confirming the product order, the Group will take necessary measures to ensure the safety and prevention of inappropriate use of such information such as signing contracts with the buyers on a non-discloser agreement. Each employee is require to sign a non-confidentiality clause. Rules and regulations on disclosure of information for employees are stated in the employee's handbook.

For Malaysia, Perstima will strive to adhere to the Personal Data Protection Act 2010 (PDPA 2010). All personal data of customers collected during the course of business are treated as confidential, kept securely and accessible by designated personnel. For FY2020, no complaints for breaching of customer policy or losses of customer data received by the Group. In addition, there is no report of non-compliance with the significant laws and regulations related to products manufactured by the Group and handling of customer brand labels.

Sustainability Matrix

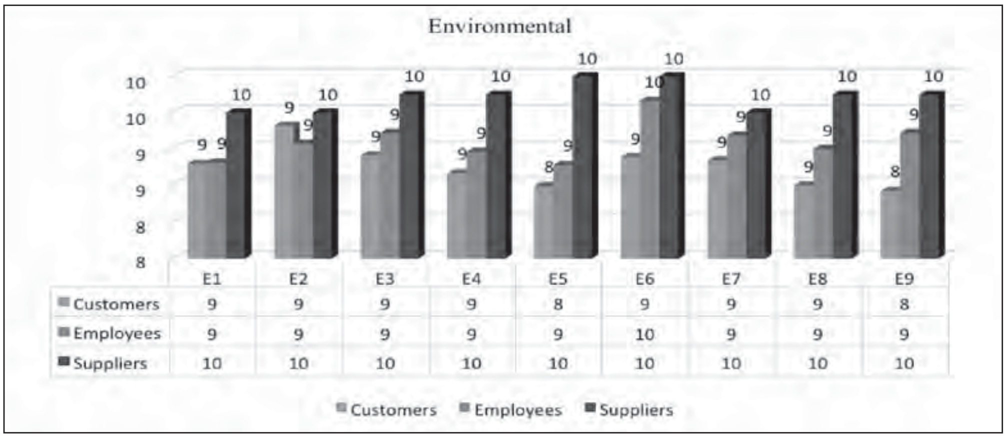
In keeping up with our performance on EES matters and as form of stakeholder engagement, we utilize a survey sent out to our employees, customers and business partners/suppliers. This survey inquiries about the importance of EES matters in relation to our stakeholders. These EES matters are as follows:

Environmental Matters	**Economic & Social Matters**
E1 - Air and greenhouse gas emissions	S10 - Employment practices
E2 - Waste and effluents	S11 - Occupational health and safety
E3 - Water use	S12 - Training and development
E4 - Energy use	S13 - Legal compliance on employment practice
E5 - Environmental design on products and services	S14 - Anti-corruption policies and whistle-blowing procedure
E6 - Legal compliance on environmental aspect	S15 - Health and safety relating to products/services
E7 - Land remediation, contamination or degradation	S16 - Privacy and data protection
E8 - Supplier environmental assessment	S17 - Labelling and information relating to products and services
E9 - Material used in production and packaging	S18 - Legal compliance on operation and products/services provided
	S19 - Community investment
	S20 - Supplier assessment for impacts on society
	S21 - Capital investment in infrastructure to the local economy

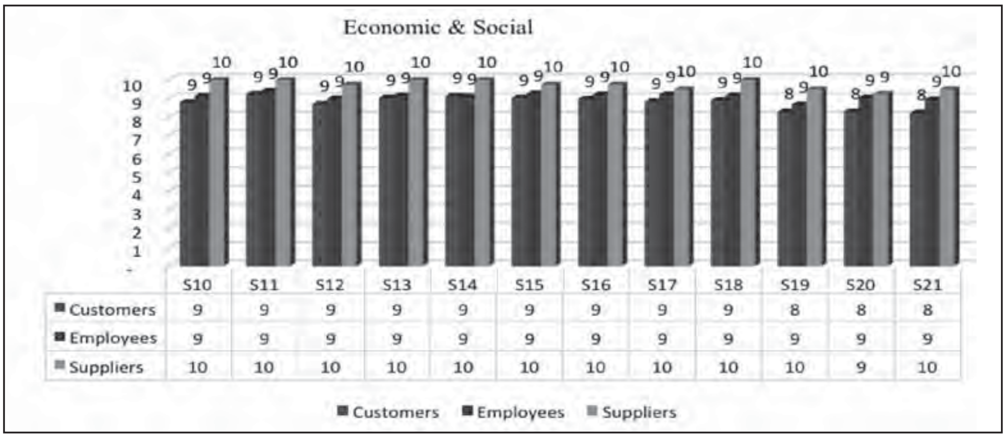
Sustainability Matrix (cont'd)

The survey asks stakeholders to grade the importance of each respective EES matter on a scale from 1 to 10 (1 = Not important, 10 = Very Important). The following graphs illustrates the results of our survey.

Environmental									
	E1	E2	E3	E4	E5	E6	E7	E8	E9
Customers	9	9	9	9	8	9	9	9	8
Employees	9	9	9	9	9	10	9	9	9
Suppliers	10	10	10	10	10	10	10	10	10



Economic & Social												
	S10	S11	S12	S13	S14	S15	S16	S17	S18	S19	S20	S21
Customers	9	9	9	9	9	9	9	9	9	8	8	8
Employees	9	9	9	9	9	9	9	9	9	9	9	9
Suppliers	10	10	10	10	10	10	10	10	10	10	9	10



As illustrated in the results above, on a scale of 1 to 10 in terms of importance, our stakeholders have graded each EES matter 8 – 10 in terms of importance. This means that our employees, customers and business partners/suppliers understand the importance of these matters as it pertains to running a business. As a producer of steel, environmental matters are important to our customers and suppliers/business partners. Customer's satisfaction will be impacted based on how our products are produced and our working relationship with our suppliers will also be impacted based on our business practices as it pertains to the environment. Environmental matters are also important to our employees as they are involved in manufacturing and have to ensure that we are in compliance with environmental legal standards as well as reducing our overall impact during our day to day activities.

Economic and social matters were also graded highly among our stakeholders. Economic matters are important as they pertain to matters such as legal compliance of products, anti-corruption, customer privacy and data protection, and community investment. These are important in maintaining trust between our company and our stakeholders as well as maintaining the integrity of our business. Finally, social matters pertain to employment practices, employee health and safety, and training and development. These are important specifically to our employees as they are directly affected and to our customers and suppliers as it is also a matter of upholding human rights.

More importantly the results of this survey helped us in gauging the importance of these matters to our stakeholders as it relates to our business practices and it will help us in improving our overall sustainability in order to meet the expectations of our stakeholders.

The Board of Directors ("Board") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("the Company" or "Perstima") is pleased to present the report of Audit Committee for the financial year ended 31 March 2020.

AUDIT COMMITTEE MEMBERS

The Audit Committee currently consists of four (4) members, all of whom are Non-Executive Directors, with majority of Independent Directors. Dato' Wee Hoe Soon @ Gooi Hoe Soon is a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. 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. The Audit Committee therefore meets the requirements of Paragraph 15.09(1)(b) and (c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

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

The Audit Committee met five (5) time during the financial year ended 31 March 2020 and the attendance record is tabulated as follows:-

Members	Designation	Attendance					Total
		29 May 2019	5 July 2019	19 August 2019	30 October 2019	6 February 2020	
Mastura Binti Mansor (Chairperson of Audit Committee)	Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5
Dato' Wee Hoe Soon @ Gooi Hoe Soon	Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5
Dominic Aw Kian-Wee	Senior Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5
Rin Nan Yoong	Non-Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5
Total Attendance		4/4	4/4	4/4	4/4	4/4	

Note:

i) Ms Ranko Kume resigned as a member of Audit Committee consequent to her re-designation as Executive Director of the Company on 1 November 2019. She attended all four (4) Audit Committee Meetings held during her tenure of office.

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 senior management of the Group and shall be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of Executive Directors 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 Main Market Listing Requirements of Bursa Securities, the Audit Committee shall promptly report such matter to the 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.

A detailed terms of reference of the Audit Committee has been drawn up and approved by the Board and this is available on the Company's website: www.perstima.com.my. The terms of reference of the Audit Committee is reviewed regularly. Any revision or amendment shall form part of terms of reference and shall be considered duly revised or amended. The terms of reference of the Audit Committee was last reviewed on 5 July 2018.

The Chairperson of the Audit Committee shall engage on a continuous basis with senior 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 performs 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 is 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 2020 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 29 May 2019 and 6 February 2020 without the presence of the management and executive Board members.

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) Met with the internal auditors twice during the financial year on 29 May 2019 and 6 February 2020 without presence of the management or executive Board members.

INTERNAL AUDIT FUNCTION

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

For financial year ended 31 March 2020, the internal audit team had revised the three years risk-based internal audit plan to support the execution of internal control reviews based on the risk profile established by the Risk Management Committee. An internal audit assignment in accordance with the Revised Audit Plan as approved by the Audit Committee covering the area of Sales and Receivables was completed by the internal audit team and the report had been presented to the Audit Committee for its review. The report also included recommendations as well as proposed corrective actions to be adopted by the Management. During the financial year, follow-up audits were also carried out to determine whether the Management has taken the recommended corrective actions in the previous internal audit report.

The cost incurred in outsourcing of the internal audit function to an independent professional firm during the financial year amounted to approximately RM20,000.00.

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 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.

INTERNAL AUDIT

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

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core auditable areas of the Group based on the risk profile established by the Risk Management Committee. Scheduled internal audits are carried out by the internal auditors based on the audit plan and 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.

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

INTERNAL AUDIT (cont'd)

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 2020, 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 2020 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

10 July 2020

For the year ended 31 March 2020

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 2020.

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 6 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 6 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year	30,913	37,888

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 2019 as reported in the Directors' Report of that year:

- an interim dividend of 10 sen per ordinary share totalling RM9,930,497 declared on 29 May 2019 and paid on 28 June 2019; and
- a final dividend of 20 sen per ordinary share totalling RM19,860,994 approved on 19 August 2019 and paid on 27 September 2019.

The Directors proposed a final dividend of 10 sen per ordinary share totalling RM9,930,497 for the financial year ended 31 March 2020 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

These financial statements do not reflect the proposed final dividend, which will be accounted for in the statement of changes in equity as an appropriation of retained earnings in the financial year ending 31 March 2021.

Directors of the Company

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

Directors	Alternate
Dato' 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 (appointed on 1 November 2019)	

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 2020

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 2019/date of appointment**	**Bought**	**Sold**	**At 31 March 2020**
Company					
Mr. Rin Nan Yoong	Direct	44,000	--	--	44,000
	Deemed	32,617,544	--	--	32,617,544
En. Ab. Patah bin Mohd	Direct	100	--	--	100

By virtue of 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 2020 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 2020

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 2020 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.

Significant event

On 2 March 2020, the Company announced that it will be undertaking a Proposed Renounceable Rights Issue of 19,860,944 new ordinary shares on the basis of one rights shares for every five existing ordinary shares and Proposed Bonus Issue of 9,930,472 bonus shares on the basis of one bonus share for every two rights shares subscribed ("collectively known as the Proposals"). The gross proceeds are expected to be utilised to part finance the electrolytic tinning and tin free steel production line for the manufacturing plant in Philippines, purchase of the raw materials and expenses for the Proposals. On 9 July 2020, the Proposals have been approved by the Bursa Securities Malaysia Berhad subject to fulfilment of certain conditions and approval by the shareholders of the Company.

Auditors

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

The auditors' remuneration is disclosed in Note 17 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

Johor Bahru
10 July 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Property, plant and equipment	3	99,718	83,290	34,127	34,644
Prepaid lease payments	4	--	5,211	--	--
Right-of-use assets	5	20,581	--	4,754	--
Investments in subsidiaries	6	--	--	49,496	47,942
Deferred tax assets	7	300	314	--	--
Total non-current assets		120,599	88,815	88,377	82,586
Inventories	8	171,967	181,611	105,998	133,516
Trade and other receivables	9	90,002	109,701	56,184	82,419
Due from subsidiaries	10	--	--	51,051	15,043
Current tax assets		2,239	534	2,233	528
Cash and cash equivalents	11	106,825	89,108	60,246	36,492
Total current assets		371,033	380,954	275,712	267,998
Total assets		491,632	469,769	364,089	350,584
Equity					
Share capital		99,305	99,305	99,305	99,305
Reserves		303,220	296,216	199,468	191,371
Equity attributable to owners of the Company/Total equity	12	402,525	395,521	298,773	290,676
Liabilities					
Deferred tax liabilities/ **Total non-current liabilities**	7	3,213	2,656	3,197	2,656
Trade and other payables	13	70,835	53,989	46,049	38,512
Due to subsidiaries	10	--	--	1,011	1,137
Loans and borrowings	14	15,059	17,603	15,059	17,603
Total current liabilities		85,894	71,592	62,119	57,252
Total liabilities		89,107	74,248	65,316	59,908
Total equity and liabilities		491,632	469,769	364,089	350,584

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 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue	15	860,016	978,778	573,570	665,572
Cost of sales		(809,740)	(914,322)	(542,897)	(619,741)
Gross profit		50,276	64,456	30,673	45,831
Other income		6,781	7,632	22,229	14,337
Distribution expenses		(7,394)	(8,887)	(3,193)	(4,992)
Administrative expenses		(10,150)	(10,232)	(4,253)	(6,544)
Other expenses		(130)	(705)	--	--
Results from operating activities		39,383	52,264	45,456	48,632
Finance income		3,116	2,499	1,329	1,881
Finance costs		(1,343)	(1,132)	(1,236)	(1,125)
Net finance income		1,773	1,367	93	756
Profit before tax		41,156	53,631	45,549	49,388
Tax expense	16	(10,243)	(12,610)	(7,661)	(10,096)
Profit for the year	17	30,913	41,021	37,888	39,292
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		5,882	5,211	--	--
Total comprehensive income for the year		36,795	46,232	37,888	39,292
Basic and diluted earnings per ordinary share (sen)	18	31.1	41.3		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Note	← Attributable to owners of the Company →			
		Non-distributable		Distributable	
		Share capital RM'000	Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group					
At 1 April 2018		99,305	(23,544)	303,319	379,080
Foreign currency translation differences/ **Total other comprehensive income for the year**		--	5,211	--	5,211
Profit for the year		--	--	41,021	41,021
Total comprehensive income for the year		--	5,211	41,021	46,232
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company/ **Total transactions with owners of the Company**	19	--	--	(29,791)	(29,791)
At 31 March 2019/1 April 2019		99,305	(18,333)	314,549	395,521
Foreign currency translation differences/ **Total other comprehensive income for the year**		--	5,882	--	5,882
Profit for the year		--	--	30,913	30,913
Total comprehensive income for the year		--	5,882	30,913	36,795
Contributions by and distributions to owners of the Company					
Dividends to owners of the Company/ **Total transactions with owners of the Company**	19	--	--	(29,791)	(29,791)
At 31 March 2020		99,305	(12,451)	315,671	402,525

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	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 2018		99,305	181,870	281,175
Profit and total comprehensive income for the year		--	39,292	39,292
Contributions by and distributions to owners of the Company				
Dividends to owners of the Company/ **Total transactions with owners of the Company**	19	--	(29,791)	(29,791)
At 31 March 2019/1 April 2019		99,305	191,371	290,676
Profit and total comprehensive income for the year		--	37,888	37,888
Contributions by and distributions to owners of the Company				
Dividends to owners of the Company/ **Total transactions with owners of the Company**	19	--	(29,791)	(29,791)
At 31 March 2020		99,305	199,468	298,773

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

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from operating activities					
Profit before tax		41,156	53,631	45,549	49,388
Adjustments for:					
Depreciation and amortisation		15,094	15,144	6,622	7,025
Depreciation of right-of-use assets		638	--	205	--
Finance costs		1,343	1,132	1,236	1,125
Inventories written down/(Reversal of inventories written down)		641	19	452	(798)
Unrealised gain on foreign exchange		(198)	(126)	(70)	(124)
Dividend income from a subsidiary		--	--	(12,711)	(8,365)
Finance income		(3,116)	(2,499)	(1,329)	(1,881)
Gain on disposal of property, plant and equipment		(21)	(100)	(21)	(93)
Reversal of loss allowance on amount due from a subsidiary		--	--	(3,000)	--
Operating profit before changes in working capital		55,537	67,201	36,933	46,277
Change in inventories		9,003	(24,292)	27,066	(25,562)
Change in trade and other receivables		19,897	3,614	26,305	(4,004)
Change in due from/(to) subsidiaries		--	--	(33,134)	(4,259)
Change in trade and other payables		16,846	(499)	7,537	11,618
Cash generated from operations		101,283	46,024	64,707	24,070
Tax paid		(11,377)	(13,997)	(8,825)	(11,499)
Net cash from operating activities		89,906	32,027	55,882	12,571
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment		(45,422)	(18,594)	(11,119)	(4,327)
- prepaid lease payments		--	(1,406)	--	--
Investment in a subsidiary		--	--	(1,554)	(12,542)
Proceeds from disposal of property, plant and equipment		76	111	76	104
Interest received		3,116	2,499	1,329	1,881
Dividend received from a subsidiary		--	--	12,711	8,365
Net cash (used in)/from investing activities		(42,230)	(17,390)	1,443	(6,519)

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

For the year ended 31 March 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from financing activities					
Net short term borrowings		(2,544)	(16,619)	(2,544)	(16,619)
Dividends paid to owners of the Company		(29,791)	(29,791)	(29,791)	(29,791)
Interest paid		(1,343)	(1,132)	(1,236)	(1,125)
Net cash used in financing activities		(33,678)	(47,542)	(33,571)	(47,535)
Exchange differences on translation of the financial statements of foreign operations		2,262	2,303	--	--
Net increase/(decrease) in cash and cash equivalents		16,260	(30,602)	23,754	(41,483)
Cash and cash equivalents at 1 April		89,108	118,255	36,492	77,975
Foreign exchange difference on opening balances		1,457	1,455	--	--
Cash and cash equivalents at 31 March	11	106,825	89,108	60,246	36,492

Cash outflows for leases as a lessee

	Note	Group/Company 2020 RM'000	Group/Company 2019 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	17	290	--
Payment relating to leases of low-value assets	17	19	--
Total cash outflows for leases		309	--

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

Group/Company	At 1 April 2018 RM'000	Net changes from financing cash flows RM'000	At 31 March 2019/ 1 April 2019 RM'000	Net changes from financing cash flows RM'000	At 31 March 2020 RM'000
Banker's acceptance	31,592	(13,989)	17,603	(2,544)	15,059
Onshore foreign currency loan	2,630	(2,630)	--	--	--
	34,222	(16,619)	17,603	(2,544)	15,059

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, 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 2020 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 2020 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 6.

These financial statements were authorised for issue by the Board of Directors on 10 July 2020.

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 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures –Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

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 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- 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)*

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, other than those disclosed in the following note:

- Note 23 - Measurement of expected credit losses ("ECL")

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.

Arising from the adoption of MFRS 16, *Leases*, there are changes to the accounting policies applied to lease contracts entered by the Group entities as compared to those applied in previous financial statements. The impacts arising from the changes are disclosed in Note 26.

(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.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation

(ii) Business combinations

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

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

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

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

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

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

(iii) Loss of control

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

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

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

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

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

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

(c) Financial instruments

(i) 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.

(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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

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

Financial assets **(cont'd)**

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, 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 debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to 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.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) 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)).

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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

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

Financial liabilities (cont'd)

(a) Fair value through profit or loss (cont'd)

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.

(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.

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

(e) Leases

The Group has applied MFRS 16 using the modified retrospective approach with no cumulative effect recognised in the retained earnings at 1 April 2019. Accordingly, the comparative information presented for 31 March 2019 has not been restated - i.e. it is presented, as previously reported under MFRS 117, *Leases* and related interpretations.

Current financial year

(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

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

Current financial year (cont'd)

(i) Definition of a lease (cont'd)

- 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.

(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.

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

Current financial year (cont'd)

(iii) Subsequent measurement (cont'd)

(a) As a lessee (cont'd)

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".

Previous financial year

As a lessee

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

Leasehold land which in substance was an operating lease was classified as prepaid lease payments. Leasehold land was depreciated over the lease period of 42 years.

(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.

2. Significant accounting policies (cont'd)

(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.

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.

2. Significant accounting policies (cont'd)

(h) Impairment (cont'd)

(ii) Other assets (cont'd)

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.

(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.

2. Significant accounting policies (cont'd)

(k) Revenue and other income (cont'd)

(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.

(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.

2. Significant accounting policies (cont'd)

(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

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in -progress RM'000	Total RM'000
Group					
At cost					
At 1 April 2018	51,176	356,141	25,657	19,492	452,466
Additions	12,025	3,718	1,254	1,597	18,594
Disposals	--	--	(1,004)	--	(1,004)
Transfers	--	19,430	--	(19,430)	--
Exchange differences	423	4,242	84	--	4,749
At 31 March 2019, as previously reported	63,624	383,531	25,991	1,659	474,805
Adjustment on initial application of MFRS 16	(27,506)	--	--	--	(27,506)
At 1 April 2019, as restated	36,118	383,531	25,991	1,659	447,299
Additions	2,419	9,308	2,661	31,034	45,422
Disposals	--	--	(77)	(55)	(132)
Transfers	--	--	3,091	(49)	3,042
Exchange differences	388	4,192	145	--	4,725
At 31 March 2020	38,925	397,031	31,811	32,589	500,356
Accumulated depreciation					
At 1 April 2018	35,322	316,770	22,230	--	374,322
Depreciation charge	1,006	11,074	1,569	--	13,649
Disposals	--	--	(993)	--	(993)
Exchange differences	241	3,193	55	--	3,489
At 31 March 2019, as previously reported	36,569	331,037	22,861	--	390,467
Adjustment on initial application of MFRS 16	(9,651)	--	--	--	(9,651)
At 1 April 2019, as restated	26,918	331,037	22,861	--	380,816
Depreciation charge	827	11,620	2,647	--	15,094
Disposals	--	--	(77)	--	(77)
Transfers	--	--	1,359	--	1,359
Exchange differences	245	3,137	64	--	3,446
At 31 March 2020	27,990	345,794	26,854	--	400,638
Accumulated impairment loss					
At 1 April 2018/31 March 2019	1,048	--	--	--	1,048
At 31 March 2019, as previously reported	1,048	--	--	--	1,048
Adjustment on initial application of MFRS 16	(1,048)	--	--	--	(1,048)
At 1 April 2019, as restated/ 31 March 2020	--	--	--	--	--
Carrying amounts					
At 1 April 2018	14,806	39,371	3,427	19,492	77,096
At 31 March 2019	26,007	52,494	3,130	1,659	83,290
At 31 March 2020	10,935	51,237	4,957	32,589	99,718

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

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment and motor vehicles RM'000	Capital work -in -progress RM'000	Total RM'000
Company					
At cost					
At 1 April 2018	39,942	218,334	23,416	22	281,714
Additions	177	1,901	1,254	995	4,327
Disposals	--	--	(960)	--	(960)
At 31 March 2019, as previously reported	40,119	220,235	23,710	1,017	285,081
Adjustment on initial application of MFRS 16	(15,658)	--	--	--	(15,658)
At 1 April 2019, as restated	24,461	220,235	23,710	1,017	269,423
Additions	2,419	7,036	391	1,273	11,119
Disposals	--	--	(77)	(55)	(132)
Transfers	--	--	49	(49)	--
At 31 March 2020	26,880	227,271	24,073	2,186	280,410
Accumulated depreciation					
At 1 April 2018	28,915	193,694	20,704	--	243,313
Depreciation charge	508	5,217	1,300	--	7,025
Disposals	--	--	(949)	--	(949)
At 31 March 2019, as previously reported	29,423	198,911	21,055	--	249,389
Adjustment on initial application of MFRS 16	(9,651)	--	--	--	(9,651)
At 1 April 2019, as restated	19,772	198,911	21,055	--	239,738
Depreciation charge	320	5,199	1,103	--	6,622
Disposals	--	--	(77)	--	(77)
At 31 March 2020	20,092	204,110	22,081	--	246,283
Accumulated impairment loss					
At 1 April 2018/31 March 2019	1,048	--	--	--	1,048
At 31 March 2019, as previously reported	1,048	--	--	--	1,048
Adjustment on initial application of MFRS 16	(1,048)	--	--	--	(1,048)
At 1 April 2019, as restated/ 31 March 2020	--	--	--	--	--
Carrying amounts					
At 1 April 2018	9,979	24,640	2,712	22	37,353
At 31 March 2019	9,648	21,324	2,655	1,017	34,644
At 31 March 2020	6,788	23,161	1,992	2,186	34,127

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Carrying amounts of land and buildings				
At cost				
Land	--	16,807	--	4,959
Buildings	10,935	9,200	6,788	4,689
	10,935	26,007	6,788	9,648

Impairment loss

The impairment loss arose from the Group's and the Company's assessment of the recoverable amount of hostel buildings based on the market value for these buildings.

Others

The gross amount of fully depreciated property, plant and machinery of the Group and the Company but still in use amounted to RM288,418,000 (2019: RM224,840,000) and RM206,060,000 (2019: RM202,160,000) respectively.

4. Prepaid lease payments

	Leasehold land/ Total RM'000
Group	
At cost	
1 April 2018	10,934
Additions	1,406
Exchange differences	410
At 31 March 2019, as previously reported	12,750
Adjustment on initial application of MFRS 16	(9,708)
At 1 April 2019, as restated	3,042
Transfers	(3,042)
At 31 March 2020	--
Accumulated amortisation	
At 1 April 2018	5,827
Amortisation charge	1,495
Exchange differences	217
At 31 March 2019, as previously reported	7,539
Adjustment on initial application of MFRS 16	(6,180)
At 1 April 2019, as restated	1,359
Transfers	(1,359)
At 31 March 2020	--
Carrying amounts	
At 1 April 2018	5,107
At 31 March 2019	5,211
At 31 March 2020	--

5. Right-of-use assets

	Land RM'000	Leasehold improvements RM'000	Total RM'000
Group			
At 1 April 2019	19,745	590	20,335
Depreciation	(615)	(23)	(638)
Exchange difference	863	21	884
At 31 March 2020	19,993	588	20,581

	Land/ Total RM'000
Company	
At 1 April 2019	4,959
Depreciation	(205)
At 31 March 2020	4,754

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.

6. Investments in subsidiaries

	Company 2020 RM'000	2019 RM'000
Cost of investment	49,496	47,942

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 2020 %	2019 %
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

7. Deferred tax assets/(liabilities)

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Deferred tax assets	300	314	--	--
Deferred tax liabilities	(3,213)	(2,656)	(3,197)	(2,656)
	(2,913)	(2,342)	(3,197)	(2,656)

Deferred tax assets and liabilities are attributable to the following:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Property, plant and equipment				
- capital allowances	(3,953)	(3,779)	(3,953)	(3,779)
- revaluation	(795)	(864)	(795)	(864)
Allowances and other accruals	1,882	2,331	1,598	2,017
Unrealised exchange differences	(47)	(30)	(47)	(30)
	(2,913)	(2,342)	(3,197)	(2,656)

Movement in temporary differences during the year are as follows:

	At 1 April 2018 RM'000	Recognised in profit or loss (Note 16) RM'000	At 31 March 2019/ 1 April 2019 RM'000	Recognised in profit or loss (Note 16) RM'000	At 31 March 2020 RM'000
Group					
Property, plant and equipment					
- capital allowances	(4,113)	334	(3,779)	(174)	(3,953)
- revaluation	(932)	68	(864)	69	(795)
Allowance and other accruals	2,297	34	2,331	(449)	1,882
Unrealised exchange differences	132	(162)	(30)	(17)	(47)
	(2,616)	274	(2,342)	(571)	(2,913)
Company					
Property, plant and equipment					
- capital allowances	(4,113)	334	(3,779)	(174)	(3,953)
- revaluation	(932)	68	(864)	69	(795)
Allowance and other accruals	1,966	51	2,017	(419)	1,598
Unrealised exchange differences	132	(162)	(30)	(17)	(47)
	(2,947)	291	(2,656)	(541)	(3,197)

7. 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	
	2020 RM'000	**2019 RM'000**
Taxable temporary differences	3,387	4,965
Unabsorbed capital allowances	(15,207)	(16,311)
Unutilised tax losses	(390)	(390)
	(12,210)	(11,736)

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.

Pursuant to the Finance Act 2018, unutilised tax losses can only be carried forward up to 7 consecutive year of assessment.

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

	Group	
	2020 RM'000	**2019 RM'000**
2025	390	390

8. Inventories

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Raw materials	102,154	104,818	68,308	84,362
Work-in-progress	3,432	3,864	3,142	3,766
Finished goods	48,251	56,786	23,731	36,476
Consumables	18,130	16,143	10,817	8,912
	171,967	181,611	105,998	133,516
Recognised in profit or loss:				
- Inventories recognised as cost of sales	809,740	914,322	542,897	619,741

9. Trade and other receivables

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Trade receivables	77,900	93,046	53,100	71,619
Other receivables, deposits and prepayments	12,102	16,655	3,084	10,800
	90,002	109,701	56,184	82,419

10. Due from/(to) subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Due from subsidiaries - non-trade	55,619	22,611
Less: Impairment loss	(4,568)	(7,568)
	51,051	15,043
Due to subsidiaries		
- trade	(942)	(1,132)
- non-trade	(69)	(5)
	(1,011)	(1,137)

Included in the amounts due from subsidiaries, which are unsecured, are:

a) an amount of RM13,528,117 (2019: RM13,528,117) that is repayable on demand, with a fixed interest charged at 4% (2019: 4%) per annum; and

b) the remaining balance of RM42,091,061 (2019: RM9,083,520) is repayable on demand and interest free.

11. Cash and cash equivalents

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	31,352	37,253	19,514	28,088
Deposits with licensed banks	75,473	51,855	40,732	8,404
	106,825	89,108	60,246	36,492

12. Capital and reserves

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2020 RM'000	2019 RM'000	2020 '000	2019 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	99,305	99,305	99,305	99,305

Reserves

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-distributable				
Translation reserve	(12,451)	(18,333)	--	--
Distributable				
Retained earnings	315,671	314,549	199,468	191,371
	303,220	296,216	199,468	191,371

13. Trade and other payables

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Trade payables	55,461	35,701	36,920	25,245
Other payables and accrued expenses	15,374	18,288	9,129	13,267
	70,835	53,989	46,049	38,512

Included in other payables and accrued expenses are:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Other payables	472	364	317	302
Accrued expenses for sales rebates	2,246	3,229	2,226	3,208
Payroll related accruals	3,004	3,686	2,448	3,197
Other accrued expenses	9,652	11,009	4,138	6,560
	15,374	18,288	9,129	13,267

Included in trade payables of the Group and of the Company is an amount of RM52,013,640 (2019: RM28,056,049) and RM35,694,895 (2019: RM20,149,049) respectively due to substantial shareholders of the Company arising from purchases of raw materials.

14. Loans and borrowings

	Group/Company 2020 RM'000	Group/Company 2019 RM'000
Unsecured		
Banker's acceptance	15,059	17,603

15. Revenue

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue from contracts with customers				
- at a point in time	860,016	978,778	573,570	665,572

15.1 Disaggregation of revenue

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Primary geographical markets				
Malaysia	541,003	617,525	520,438	595,691
Vietnam	196,468	213,813	--	--
Others	122,545	147,440	53,132	69,881
	860,016	978,778	573,570	665,572

15. Revenue (cont'd)

15.2 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 tin plates	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

16. Tax expense

Recognised in profit or loss

Major components of income tax expense include:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current tax expense				
- Current year	9,173	12,895	6,615	10,410
- Prior years	499	(11)	505	(23)
	9,672	12,884	7,120	10,387
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	733	(395)	709	(424)
- (Over)/Under provision in prior years	(162)	121	(168)	133
	571	(274)	541	(291)
	10,243	12,610	7,661	10,096
Reconciliation of tax expense				
Profit before tax	41,156	53,631	45,549	49,388
Income tax calculated using Malaysian tax rate of 24%	9,877	12,871	10,932	11,853
Effect of different tax rates in foreign jurisdictions	(659)	(981)	--	--
Non-deductible expenses	574	524	164	141
Non-taxable income	--	--	(3,772)	(2,008)
Effect of unrecognised deferred tax asset	114	86	--	--
	9,906	12,500	7,324	9,986
Under provision in prior years	337	110	337	110
Tax expense	10,243	12,610	7,661	10,096

17. Profit for the year

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Profit for the year is arrived at after charging/(crediting)					
Audit fees					
- Company's auditors		109	104	105	100
- Overseas affiliate of KPMG PLT		57	60	--	--
Non-audit fees					
- Company's auditors		3	3	3	3
- Local affiliate of KPMG PLT		24	24	17	17
Depreciation and amortisation		15,094	15,144	6,622	7,025
Depreciation of right-of-use assets		638	--	205	--
Expenses relating to short-term leases	a	290	--	290	--
Expenses relating to leases of low-value assets	a	19	--	19	--
Rental of premises and equipment		--	329	--	329
Personnel expenses (including key management personnel):					
- Wages, salaries and others		23,850	24,855	14,544	16,056
- Contributions to state plans		2,553	2,208	2,553	2,208
Dividend income from a subsidiary		--	--	(12,711)	(8,365)
Gain on disposal of property, plant and equipment		(21)	(100)	(21)	(93)
Hostel rental income		(43)	(43)	(43)	(43)
Net foreign exchange gain		(3,088)	(3,890)	(2,350)	(2,918)
Reversal of loss allowance on amount due from a subsidiary		--	--	(3,000)	--
Inventories written down/ (Reversal of inventories written down)		641	19	452	(798)
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.

18. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group 2020 RM'000	Group 2019 RM'000
Profit attributable to ordinary shareholders	30,913	41,021

	Group Numbers of share 2020 '000	Group Numbers of share 2019 '000
Issued ordinary shares at 1 April/Weighted average number of ordinary shares at 31 March	99,305	99,305
Basic earnings per ordinary share (sen)	31.1	41.3

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.

19. Dividends

Dividends recognised by the Group/Company are:

	Sen per share	Total amount RM'000	Date of payment
2020			
Interim 2019	10	9,930	28 June 2019
Final 2019	20	19,861	27 September 2019
		29,791	
2019			
Interim 2018	10	9,930	24 May 2018
Final 2018	20	19,861	28 September 2018
		29,791	

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

	Sen per share	Total amount RM'000
Final 2020	10	9,930

20. Capital commitments

	Group/Company	
	2020 RM'000	2019 RM'000
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	145,085	2,660

21. 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	
	2020 RM'000	2019 RM'000
Less than one year	156	148
Between one and five years	624	592
More than five years	3,431	3,406
	4,211	4,146

22. Operating segments

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

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

	Malaysia		Vietnam		Consolidation adjustments		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Segment profit	27,212	39,794	13,806	13,699	138	138	41,156	53,631
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	576,107	666,486	283,909	312,292	--	--	860,016	978,778
Inventories written down/ (Reversal of inventories written down)	452	(798)	189	817	--	--	641	19
Depreciation and amortisation	8,614	8,937	6,618	6,345	(138)	(138)	15,094	15,144
Depreciation of right-of-use assets	503	--	135	--	--	--	638	--
Finance costs	1,779	1,666	107	7	(543)	(541)	1,343	1,132
Finance income	(1,418)	(1,967)	(2,241)	(1,073)	543	541	(3,116)	(2,499)

	2020	2019
Geographical location of non-current assets		
Malaysia	43,209	39,917
Vietnam	34,471	36,448
Philippines	42,919	12,450
	120,599	88,815
Geographical location of revenue		
Malaysia	541,003	617,525
Vietnam	196,468	213,813
Others	122,545	147,440
	860,016	978,778

Major customers

Revenue from three (2019: three) major customers (individually with revenue equal or more than 10% of the Group's total revenue) amounted to RM341,099,000 (2019: RM480,766,000).

23. Financial instruments

23.1 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).

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	6,204	6,389	3,679	4,799
Financial liabilities at amortised cost	(1,343)	(1,132)	(1,236)	(1,125)
	4,861	5,257	2,443	3,674

23.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

23.4 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 (2019: 5 customers), which represent 61% (2019: 57%) and 83% (2019: 72%) of total trade receivables of the Group and the Company respectively.

23. Financial instruments (cont'd)

23.4 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	50,004	59,581	47,058	58,081
Vietnam	11,270	12,043	--	--
Others	16,626	21,422	6,042	13,538
	77,900	93,046	53,100	71,619

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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current (not past due)	59,249	79,124	40,855	58,617
0 - 30 days past due	18,168	13,922	11,824	13,002
31 - 60 days past due	483	--	421	--
	77,900	93,046	53,100	71,619

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

23. Financial instruments (cont'd)

23.4 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			
2020			
Low credit risk	35,848	--	35,848
Significant increase in credit risk	19,771	4,568	15,203
	55,619	4,568	51,051
2019			
Low credit risk	3,706	--	3,706
Significant increase in credit risk	18,905	7,568	11,337
	22,611	7,568	15,043

23. Financial instruments (cont'd)

23.4 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 2020 RM'000	2019 RM'000
Balance at 1 April	7,568	7,568
Net remeasurement of loss allowance	(3,000)	--
Balance at 31 March	4,568	7,568

23.5 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
2020				
Non-derivative financial liabilities				
Unsecured banker's acceptance	15,059	3.00	15,059	15,059
Trade and other payables	70,835	--	70,835	70,835
	85,894		85,894	85,894
2019				
Non-derivative financial liabilities				
Unsecured banker's acceptance	17,603	3.68	17,603	17,603
Trade and other payables	53,989	--	53,989	53,989
	71,592		71,592	71,592
Company				
2020				
Non-derivative financial liabilities				
Unsecured banker's acceptance	15,059	3.00	15,059	15,059
Trade and other payables	46,049	--	46,049	46,049
Due to subsidiaries	1,011	--	1,011	1,011
	62,119		62,119	62,119
2019				
Non-derivative financial liabilities				
Unsecured banker's acceptance	17,603	3.68	17,603	17,603
Trade and other payables	38,512	--	38,512	38,512
Due to subsidiaries	1,137	--	1,137	1,137
	57,252		57,252	57,252

23. Financial instruments (cont'd)

23.6 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables	19,079	22,819	6,042	13,545
Cash and cash equivalents	25,217	19,608	17,483	14,022
Trade and other payables	(54,248)	(33,737)	(37,929)	(25,424)
Net exposure	(9,952)	8,690	(14,404)	2,143

Currency risk sensitivity analysis

A 10% (2019: 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
USD	756	(660)	1,095	(163)

A 10% (2019: 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.

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.

23. Financial instruments (cont'd)

23.6 Market risk (cont'd)

Interest rate risk (cont'd)

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 endeavours 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed rate instruments				
Financial assets	75,473	51,855	54,260	21,932
Financial liabilities	(15,059)	(17,603)	(15,059)	(17,603)
	60,414	34,252	39,201	4,329

Interest rate risk sensitivity analysis

- *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.

23.7 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.

24. 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.

25. 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.

25. Related parties (cont'd)

Identity of related parties (cont'd)

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 10 and 13.

		Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
A.	**Substantial shareholders**				
	Purchases of raw materials	530,503	664,688	323,506	439,635
	Sales of tinplates	3,660	2,272	3,660	2,272
B.	**Subsidiaries**				
	Dividend income received	--	--	12,711	8,365
	Interest receivable	--	--	543	541
	Purchase of power and steam	--	--	13,136	13,994
	Sales of water	--	--	183	174
	Rental income	--	--	60	60
C.	**Key management personnel** ***Directors***				
	- Fees	476	525	476	525
	- Remuneration	739	610	739	610
		1,215	1,135	1,215	1,135

The estimated monetary value of Directors' benefit-in-kind for the Group/Company is RM97,000 (2019: RM91,000).

26. Significant changes in accounting policies

During the year, the Group and the Company adopted MFRS 16.

Definition of a lease

On transition to MFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, *Determining whether an Arrangement contains a Lease* were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

Where the Group and the Company are a lessee, the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 April 2019.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the right-of-use asset and the lease liability at 1 April 2019 are determined to be the same as the carrying amount of the leased asset and lease liability under MFRS 117 immediately before that date.

Impacts on financial statements

Since the Group applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application at 1 April 2019, there are no adjustments made to the prior period presented.

27. Significant event

On 2 March 2020, the Company announced that it will be undertaking a Proposed Renounceable Rights Issue of 19,860,944 new ordinary shares on the basis of one rights shares for every five existing ordinary shares and Proposed Bonus Issue of 9,930,472 bonus shares on the basis of one bonus share for every two rights shares subscribed ("collectively known as the Proposals"). The gross proceeds are expected to be utilised to part finance the electrolytic tinning and tin free steel production line for the manufacturing plant in Philippines, purchase of the raw materials and expenses for the Proposals. On 9 July 2020, the Proposals have been approved by the Bursa Securities Malaysia Berhad subject to fulfilment of certain conditions and approval by the shareholders of the Company.

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 38 to 75 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 2020 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

Johor Bahru
10 July 2020

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 38 to 75 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 above named Rahizan bin Khalid, NRIC: 721128-01-5421, at Johor Bahru in the State of Johor on 10 July 2020.

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 2020 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 38 to 75.

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 2020, 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' Code of Ethics for Professional Accountants ("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 6 - Investment in subsidiaries and Note 10 - Due from subsidiaries

The key audit matter

The Company has investment in a Malaysian subsidiary, Perstima Utility Sdn. Bhd. as at 31 March 2020 amounting to RM5,000,000 and amount owing from that subsidiary amounting to RM19,771,000.

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, related safeguards.

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 6 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

Chan Yen Ing
Approval Number: 03174/04/2021 J
Chartered Accountant

Johor Bahru
10 July 2020

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. 38 years old)	892,435 sq.ft.	60-year lease expiring 23 August 2042	11,245
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	65
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	78
HS(D) 47792,47793,47794,4779 5, 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. 38 years old)	31,309 sq.ft.	90-year lease expiring 24 June 2070	154
HS(D) 135072 PTD 71012 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	September 1997	Staff Apartment** (approx. 29 years old)	18,496.5 sq.ft.	99-year lease expiring 2 November 2085	Nil
HS(D) 216829 PTD 110340 Mukim of Plentong Daerah Pasir Gudang Johor Bahru	March 1997	Staff Apartment** (approx. 24 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. 17 years old)	387,492 sq.ft.	43-year lease expiring 11 February 2046	7,655
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	12,318

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 50 to 54.
** The net book value of these assets of the Group/Company after reversal of impairment value are at RM Nil respectively at 31 March 2020.

ANALYSIS OF SHAREHOLDINGS AS AT 22 JUNE 2020

Total Number of Issued Shares	:	99,304,720
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share
Number of Shareholders	:	6,526

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 to 99	174	2.67	2,695	0.00
100 to 1,000	4,266	65.36	1,554,792	1.57
1,001 to 10,000	1,767	27.08	6,304,424	6.35
10,001 to 100,000	279	4.28	8,308,665	8.37
100,001 to less than 5% of issued shares	36	0.55	16,041,600	16.15
5% and above of issued shares	4	0.06	67,092,544	67.56
Total	6,526	100.00	99,304,720	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 22 JUNE 2020

	Name of shareholders	No. of Shares	% of Issued Shares
1.	Versalite Sdn. Bhd.	32,617,544	32.85
2.	JFE Shoji Trade Corporation	13,852,000	13.95
3.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An for Daiwa Capital Markets Singapore Limited (Trust Account)	11,150,000	11.23
4.	RHB Capital Nominees (Asing) Sdn. Bhd. Mitsui & Co Ltd-(J)	9,473,000	9.54
5.	Lin Chen Su-Chiung	3,004,500	3.03
6.	HSBC Nominees (Asing) Sdn. Bhd. HSBC SG for Lee Pineapple Company (Pte) Limited	1,709,500	1.72
7.	Ho Han Seng	1,619,000	1.63
8.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Saw Peng	1,300,000	1.31
9.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Heng Hoe	1,094,700	1.10
10.	Muto Kazuko	647,500	0.65
11.	Ong Siew Hwa	550,100	0.55
12.	Ong Fang Loong	480,800	0.48
13.	Ong Saw Peng	447,900	0.45
14.	Neoh Choo Ee & Company, Sdn. Berhad	400,000	0.40
15.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Sie Hing @ Lau Sie Chin	385,000	0.39
16.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang See Hing	330,000	0.33
17.	Khor Saw Hoon	296,000	0.30
18.	Yeoh Saik Khoo Sendirian Berhad	262,900	0.26

THIRTY (30) LARGEST SHAREHOLDERS AS AT 22 JUNE 2020 (cont'd)

	Name of shareholders	No. of Shares	% of Issued Shares
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Lee Kim Tak	258,000	0.26
20.	South Well Sdn. Bhd.	256,800	0.26
21.	Dynaquest Sdn. Bhd.	250,000	0.25
22.	Lee Kim Tak	213,500	0.21
23.	Zurid Corporation Sdn. Bhd.	186,000	0.19
24.	Ng Soon Siong	180,000	0.18
25.	See Teow Guan	170,000	0.17
26.	Lim Kuan Gin	164,500	0.17
27.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thai Yoon @ Thai Meow Chin	154,100	0.16
28.	Citaria Sdn. Bhd.	150,000	0.15
29.	Yeo Khee Huat	147,800	0.15
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Heng Hoe	140,900	0.14
	Total	81,892,044	82.46

SUBSTANTIAL SHAREHOLDERS AS AT 22 JUNE 2020

	-----------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.	32,617,544	32.85	-	-
Hiroshi Kume	-	-	32,617,544 (1)	32.85
Rin Nan Yoong	44,000	0.04	32,617,544 (2)	32.85
Rin Su Tsen @ Chen Su Tsen	-	-	32,617,544 (3)	32.85
JFE Shoji Trade Corporation	13,852,000	13.95	-	-
JFE Steel Corporation	11,150,000	11.23	-	-
Mitsui & Co Ltd-(J)	9,473,000	9.54	-	-

(1) Deemed interested by virtue of his 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 22 JUNE 2020

	-----------------Direct------------------		------------------Indirect-----------------	
Name	No. of Shares held	% of Issued Shares	No. of Shares held	% of Issued Shares
Dato' Wee Hoe Soon @ Gooi Hoe Soon	-	-	-	-
Hiroaki Yano	-	-	-	-
Ranko Kume	-	-	-	-
Rin Nan Yoong	44,000	0.04	32,617,544 (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-Second Annual General Meeting of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("the Company") will be conducted entirely on a virtual basis at Broadcast Venue at Meeting Room TR12-R02, 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 18 August 2020 at 2:30 p.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the Directors' and Auditors' Reports thereon.
   Note 10

2. To re-elect Mr Hiroaki Yano who is retiring pursuant to Clause 99 of the Constitution of the Company.
   Ordinary Resolution 1

3. To re-elect Puan Mastura Binti Mansor who is retiring pursuant to Clause 99 of the Constitution of the Company.
   Ordinary Resolution 2

4. To re-elect En Ab. Patah Bin Mohd who is retiring pursuant to Clause 106 of the Constitution of the Company.
   Ordinary Resolution 3

5. To approve the payment of Directors' fees of RM475,833 for the financial year ended 31 March 2020.
   Ordinary Resolution 4

6. To approve the payment of a final single-tier dividend of 10.0 sen per ordinary share for the financial year ended 31 March 2020.
   Ordinary Resolution 5

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

As Special Business

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

8. **Proposed Renewal of Shareholders' Mandate for Perusahaan Sadur Timah Malaysia (Perstima) Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")**

   "THAT, pursuant to Paragraph 10.09 Part E 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 20 July 2020 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 7

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Forty-Second Annual General Meeting, a final single-tier dividend of 10.0 sen per ordinary share, in respect of the financial year ended 31 March 2020 will be paid to shareholders on 25 September 2020. The entitlement date for the said dividend shall be on 4 September 2020.

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

a. Shares deposited into the Depositor's Securities Account before 12:30 p.m. on 2 September 2020 in respect of shares which are exempted from mandatory deposit.

b. Shares transferred into the Depositor's Securities Account before 4:30 p.m. on 4 September 2020 in respect of transfers.

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

BY ORDER OF THE BOARD

TAI YIT CHAN
Membership No.: MAICSA 7009143
SSM Practicing Certificate No.: 202008001023
CHAN YOKE PENG
Membership No.: MAICSA 7053966
SSM Practicing Certificate No.: 202008001791
Company Secretaries

20 July 2020

NOTES:-

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely.

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 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 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 www.boardroomlimited.my or email to bsr.helpdesk@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 10 August 2020 and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting and entitled to appoint proxy or proxies.

10. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders of the Company.

11. EXPLANATORY NOTE ON SPECIAL BUSINESS

    (i) Ordinary Resolution 7 - Proposed Renewal of Shareholders' Mandate

    For further information on Ordinary Resolution 7, please refer to the Circular to Shareholders dated 20 July 2020.

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 / Company No. ______________________________
of ____
being a Member of PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD, hereby appoint ______________
______________________________ NRIC / Passport No. ______________________________
of ____ or
failing him/her, ______________________________ NRIC / Passport No. ______________________________
of ____ or

failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty-Second Annual General Meeting ("AGM") of Perusahaan Sadur Timah Malaysia (Perstima) Berhad ("the Company") to be conducted entirely on a virtual basis at Broadcast Venue at Meeting Room TR12-R02, 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 18 August 2020 at 2:30 p.m. and at each and every adjournment thereof, on the following resolutions referred to in the Notice of the Forty-Second 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 Mr Hiroaki Yano who is retiring pursuant to Clause 99 of the Constitution of the Company		
Ordinary Resolution 2	To re-elect Puan Mastura Binti Mansor who is retiring pursuant to Clause 99 of the Constitution of the Company		
Ordinary Resolution 3	To re-elect En Ab. Patah Bin Mohd who is retiring pursuant to Clause 106 of the Constitution of the Company		
Ordinary Resolution 4	To approve the payment of Directors' fees of RM475,833 for the financial year ended 31 March 2020		
Ordinary Resolution 5	To approve the payment of a final single-tier dividend of 10.0 sen per ordinary share for the financial year ended 31 March 2020		
Ordinary Resolution 6	To re-appoint the Auditors, Messrs KPMG PLT and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

[Please indicate with a cross [X] in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit]

Signed this......... day of 2020

....
Signature of Shareholder(s) or Common Seal

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

	Percentage
First Proxy	%
Second Proxy	%
Total	100%

NOTES:-

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely.
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 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 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 www.boardroomlimited.my or email to bsr.helpdesk@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 resolutions set out in the notice of the meeting 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 ***10 August 2020*** and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting and entitled to appoint proxy or proxies.

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.

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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.

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PERSTIMA

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