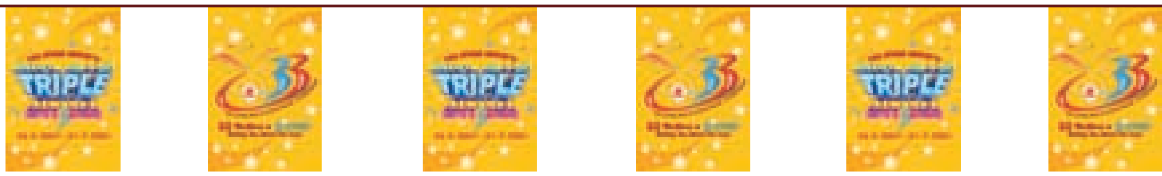
ANNUAL REPORT 2002

The Store for Malaysia

THE STORE CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)
252670-P

Contents



Highlights of Events and Promotional Activities of The Year

Since The Store opened its first outlet in Bukit Mertajam in 1968, it has continued to be one of the leaders in the retail industry in terms of its strong values and widespread presence throughout Peninsular Malaysia.

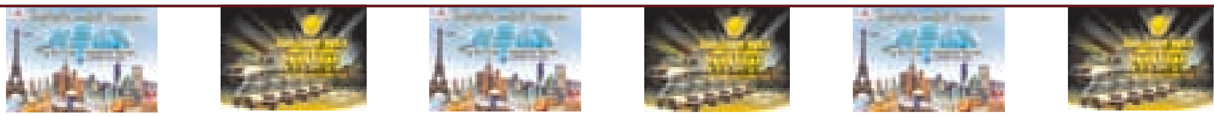
Living up to its successful entry in The Malaysia Book of Records as "The Largest and Oldest Existing Supermarket cum Departmental Chain in Malaysia", The Store has continued to grow and prosper with a solid track record of organizing events and promotions to keep the company relevant and fresh in the minds of the Malaysian society.

The Store Group's Million Ringgit Triple Rewards

(Promotion period: 26-5-2001 to 31-7-2001)

In conjunction with The Store's 33rd anniversary celebration, the group has organized a million ringgit rewards contest between 26 May 2001 and 31 July 2001 to reward our customers for their loyal support throughout the years. The total of the prizes offered were worth more than a million ringgit.

1. *Third from left: YB Dato' Tan Chai Ho (Timbalan Menteri Tenaga, Komunikasi dan Multimedia), En Md Kamal bin Bilal (Chairman) and Mr Tang Yeam Soon (Group Managing Director) at the launching ceremony of the "Million Ringgit Triple Rewards" contest.*
2. *The VIPs cutting the cake after the launching ceremony.*
3. *The lucky winners' group photo.*



My Dream Comes True

(Promotion period: 7.9.2001 to 4.11.2001)

To fulfill our customers' dreams of travelling around the world, The Store had devised a promotional activity to bring our loyal shoppers to famous destinations such as South Africa, Europe & the USA.

The destinations were carefully selected based on its popularity and preference among the shoppers. It was also derived from a survey that most shoppers of The Store harboured the ultimate dream of travelling around the world.

1. *A speech by our special invited VIP guest, Tuan Rosle bin Abdul Hamid (Pengarah Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna Negeri Pahang)*
2. *The VIPs inspecting the rows of entry forms.*
3. *Mr Kam Teh Chung (Group Operations Director) verified the winners on the selected forms.*

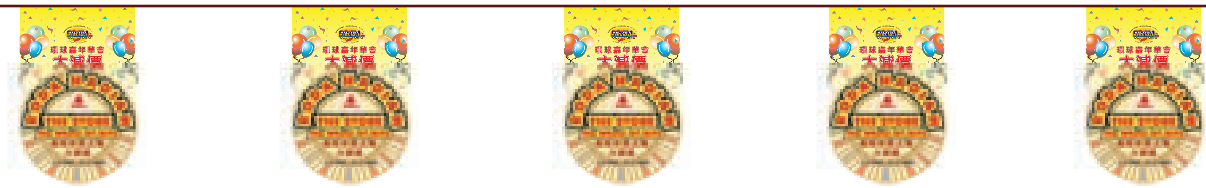
Joyous Festive Seasons Mega Offer

(Promotion period: 9.11.2001 to 28.2.2002)

In a multi-racial country like Malaysia, The Store had taken this opportunity to celebrate the festive seasons by launching its "Joyous Festive Seasons Mega Offer".

In line with the festival atmosphere, The Store has offered a variety of "Value-For-Money" goods during such festive celebrations like Chinese New Year, Thaipusam, New Year Celebration and Hari Raya.

1. *Mr. Tang Yeam Soon (Group Managing Director) and En. Md Kamal bin Bilal (Chairman) sharing a light moment.*
2. *YB Dato' Haji Azhar bin Ibrahim (Executive Councillor of Penang State) making the final draw for the lucky entries.*
3. *The lucky winners' group photo.*



Wheel of Gifts

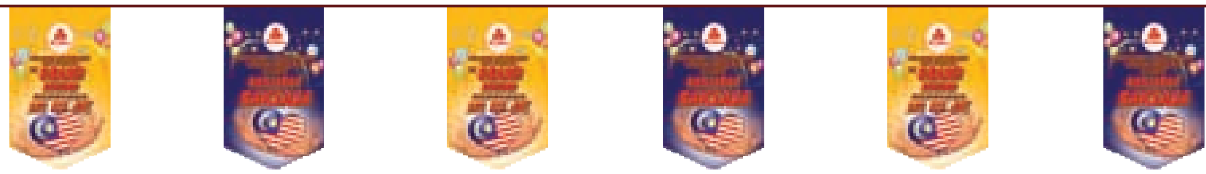
(Promotion period: 2.3.2002 to 31.3.2002)

In response to the Government's effort on organizing a series of Malaysian Carnival Sales, The Store had taken this opportunity to launch the "Wheel of Gifts" by giving away a variety of exciting gifts totalling a million ringgit to lucky contestants who had spun the wheel of gifts successfully.

The Store Anniversary Charity Celebration - The Grand Reward

(Promotion period: 25-5-2002 to 1-9-2002)

Being a responsible corporate citizen, we treasured the values of giving and sharing. In conjunction with our Group's 34th Anniversary Charity Celebration between 25 May 2002 to 1 September 2002, 5% of the total sales proceeds derived from the selected items offered for sales at the Purchase-With-Purchase counter with special discounted price will be contributing to 34 beneficiary accounts in Peninsular Malaysia in respect of Children Welfare Fund.



1. YB Dr.Tan Kee Kwong (Timbalan Menteri Kementerian Tanah dan Pembangunan Koperasi) hitting the traditional gong to launch The Store Anniversary Charity Celebration.
2. Mr.Tang Yeam Soon presenting a plaque to Dr.Tan Kee Kwong
3. The VIPs sharing a toast.

Caring for the Community

As we continue to grow, we try to instill the culture of caring in whatever ways we could. We are committed to our belief in the importance of caring for unfortunate children. An environment of care and love is essential for the well-being of children who will bear the leadership of our nation in the future. Hence, with this caring culture, we always strive to practice the same in our organization. A consistency of good work ethics that ensures a caring corporation that continues to prosper for years to come.

1. *A child with cerebral palsy being fed.*
2. *The home-sheltered children with their guardians.*
3. *The home children sharing a meal together in the living room.*
4. *A birthday party gathering.*

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at Ballroom 1, Level 2, Park Plaza International Hotel Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Friday, 27 September 2002 at 10.00 a.m for the following purposes:

Agenda

1. To receive and adopt the audited financial statements of the Company for the financial year ended 31 March 2002 together with the reports of the Directors and Auditors thereon. Resolution 1

2. To approve the payment of a First and Final Dividend of 6% per share less tax at 28% in respect of the financial year ended 31 March 2002. Resolution 2

3. To approve the payment of Directors' Fees of RM121,000.00 for the financial year ended 31 March 2002. Resolution 3

4. To re-elect the following Directors who retire in accordance with the provisions of the Company's Articles of Association :

   a) Mohd Qari bin Ahmad Resolution 4

   b) Yeoh Chong Keng Resolution 5

   c) Lim Gin Chuan Resolution 6

   d) Chang Yen Huei Resolution 7

5. To consider and, if thought fit, pass the following resolution under Section 129(6) of the Companies Act, 1965:

   "That Dato' Haji Mohd Yusoff bin Haji Amin (a Director retiring in compliance with Section 129 of the Companies Act, 1965, being over the age of seventy years) be and is hereby re-elected a Director of the Company to hold office until the next Annual General Meeting." Resolution 8

6. To re-appoint Moores Rowland as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. Resolution 9

7. To transact any other ordinary business of which due notice shall have been given.

As Special Business

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

8. Ordinary Resolution

Authority to Directors to Issue and Allot Shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." Resolution 10

Notice of Closure of Books

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 20 November 2002 for the preparation of dividend warrants.

The final dividend, if approved, will be paid on 19 December 2002 to shareholders registered in the Books of the Company as at the close of business on 20 November 2002.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred to the Depositor's Securities Account before 12.30 p.m. on 20 November 2002 in respect of ordinary transfers; and
b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

LEE WAI NGAN (Ms)
CHEAH SEOK HUN (Ms)
Secretaries
Kuala Lumpur

5 September 2002

Notes:
1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A member may appoint more than two proxies to attend at the same meeting. Where a member appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time appointed for holding the meeting.

Explanatory Note On Special Business

Ordinary Resolution (Resolution 10)
Resolution 10, if passed, will authorise the Directors to issue shares up to 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will expire at the next Annual General Meeting.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28 (2) of the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

1. Directors who are standing for re-election at the Tenth Annual General Meeting:

The Directors retiring by rotation pursuant to Article 99:-

a) Mohd Qari Bin Ahmad	Resolution 4
b) Yeoh Chong Keng	Resolution 5
c) Lim Gin Chuan	Resolution 6

The Director retiring by rotation pursuant to Article 104:-

a) Chang Yen Huei	Resolution 7

The Director retiring by rotation pursuant to Section 129 of the Companies Act, 1965:-

a) Dato' Haji Mohd Yusof Bin Haji Amin	Resolution 8

Please refer to their profile on Page 14 to 17 of this Annual Report 2002.

2. Details of Attendance of Directors at board meetings

There were four board meetings held during the financial year ended 31 March 2002. The details of attendance of the Directors at the board meetings are as follows :

Name of Director	Attendance
1. Md Kamal bin Bilal	4/4
2. Tang Yeam Soon	4/4
3. Kam Teh Chung	4/4
4. Chang Yen Huei (appointed on 2.11.2001)	2/4
5. Dato' Dr Haji Kardin bin Haji Shukor	4/4
6. Dato' Haji Mohd Yusoff bin Haji Amin	4/4
7. Mohd Qari bin Ahmad	3/4
8. Ishak bin Yusuf	4/4
9. Yeoh Chong Keng	4/4
10. Lim Gin Chuan	4/4

3. The Place, Date and Hour of the Tenth Annual General Meeting

Place	:	Ballroom 1, Level 2, Park Plaza International Hotel Kuala Lumpur, 138, Jalan Ampang 50450 Kuala Lumpur
Date & Time	:	27 September 2002 at 10.00 a.m

Corporate Information

From left to right: Mohd Qari bin Ahmad, Yeoh Chong Keng, Lim Gin Chuan, Chang Yen Huei, Dato' Haji Mohd Yusoff bin Haji Amin, Md Kamal bin Bilal, Tang Yeam Soon, Dato' Dr Haji Kardin bin Haji Shukor, Kam Teh Chung, Ishak bin Yusuf.

Board Of Directors

Md Kamal bin Bilal ~ Chairman
(Independent Non-Executive Director)

Tang Yeam Soon
(Managing Director)

Kam Teh Chung
(Executive Director)

Chang Yen Huei
(Executive Director)

Dato' Dr Haji Kardin bin Haji Shukor
(Independent Non-Executive Director)

Dato' Haji Mohd Yusoff bin Haji Amin
(Independent Non-Executive Director)

Ishak bin Yusuf
(Independent Non-Executive Director)

Mohd Qari bin Ahmad
(Independent Non-Executive Director)

Yeoh Chong Keng
(Independent Non-Executive Director)

Lim Gin Chuan
(Non-Independent Non-Executive Director)

Audit Committee

Dato' Dr Haji Kardin bin Haji Shukor ~ Chairman
(Independent Non-Executive Director)

Dato' Haji Mohd Yusoff bin Haji Amin
(Independent Non-Executive Director)

Ishak bin Yusuf
(Independent Non-Executive Director)

Chang Yen Huei
(Executive Director)

Remuneration Committee

Dato' Dr Haji Kardin bin Haji Shukor ~ Chairman
(Independent Non-Executive Director)

Mohd Qari bin Ahmad
(Independent Non-Executive Director)

Lim Gin Chuan
(Non-Independent Non-Executive Director)

Nomination Committee

Dato' Haji Mohd Yusoff bin Haji Amin ~ Chairman
(Independent Non-Executive Director)

Yeoh Chong Keng
(Independent Non-Executive Director)

Mohd Qari bin Ahmad
(Independent Non-Executive Director)

Company Secretaries

Ms Lee Wai Ngan (LS 00184)
Ms Cheah Seok Hun (LS 03654)

Auditors

Moores Rowland
Chartered Accountants

Principal Bankers

Malayan Banking Berhad
Bank Utama (M) Berhad
EON Bank Berhad

Stock Exchange Listing

Main Board of the
Kuala Lumpur Stock Exchange

Domicile

Malaysia

Legal Form and Place of Incorporation

A Public Company Incorporated in Malaysia under the Companies Act, 1965 and limited by shares.

Principal Place of Business

Lot 9A, Jalan 223, Petaling Jaya
46100 Selangor Darul Ehsan

Registered Office

Wisma Selangor Dredging
6th Floor, South Block,
142-A Jalan Ampang,
50450 Kuala Lumpur.
Tel : 03-2161 5466
Fax: 03-2163 6968

Registrars

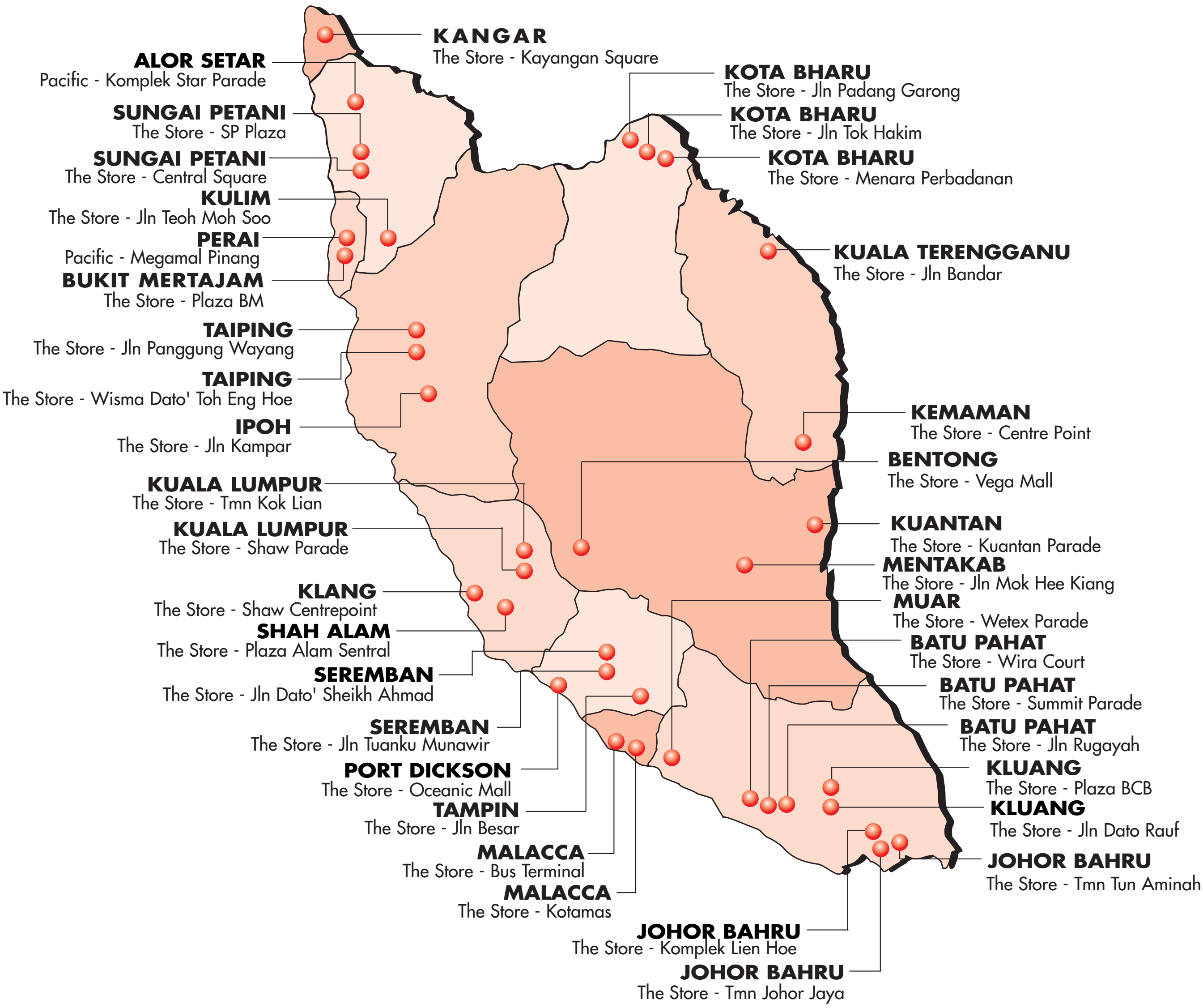
Systems & Securities Sdn Bhd
Wisma Selangor Dredging,
6th Floor, South Block,
142-A, Jalan Ampang,
50450 Kuala Lumpur.
Tel : 03-2161 5466
Fax: 03-2163 6968

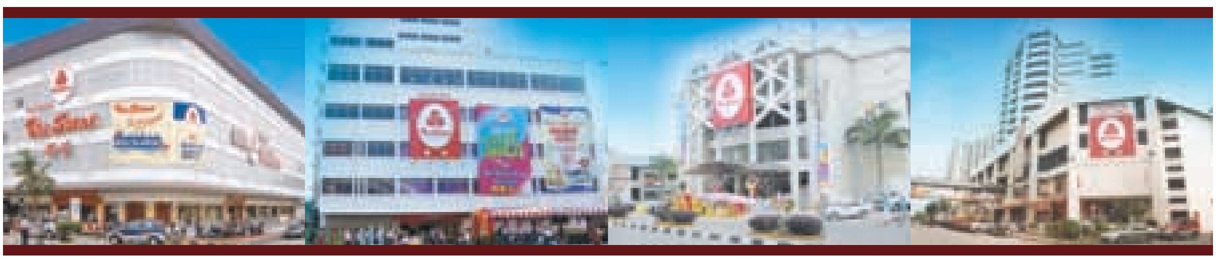
Website Address

www.tstore.com.my

Corporate Structure

Location of Outlets





Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Company's Annual Report and the Audited Financial Statements for the financial year ended 31 March 2002.

Financial Performance

With the Malaysian economy registering a modest annual growth and the Government's continuing efforts to stimulate consumer spending, the Group showed satisfactory results during the financial year under review. Group revenue increased by 5.4% from RM1,164 million in the previous year to RM1,227 million for the financial year under review. The improvement was mainly due to increase of new branches and better performance of existing branches.

Consequently, Group profit before tax improved by 15.2% from RM21.7 million in the previous year to RM25.0 million for the financial year under review. The higher increase as compared to the growth in revenue can be mainly attributed to improved performance by some of the previously loss making outlets and the overall improvement in revenue. The Group's efforts to further streamline its merchandising planning policy and stringent cost control policy have further contributed towards improving the profit margin for the financial year under review.

Dividend and Earnings Per Share

The Group's earnings per share for the current year is 26.44 sen compared to 21.16 sen for the previous year.

After taking into account the financial position of the Company, the Board is pleased to recommend a first and final dividend of 6% less 28% income tax amounting to RM2,690,323 (2001: RM2,690,323) for the financial year ended 31 March 2002 for the approval of the Shareholders at the forthcoming Tenth Annual General Meeting.

Operation Review

During the financial year, the Group successfully opened a new branch in Kangar (Perlis) followed by another new branch in Kluang (Johore) after the year end. It is our 2nd branch in Kluang. The opening of these new branches has increased the Group's total number of branches to 37, covering the entire Peninsular Malaysia and further entrenches the Company's position as the largest local supermarket and departmental chain in Malaysia.

In conjunction with our Group's 34th Anniversary Sale which started from 25 May 2002 until 1 September 2002 and as a responsible corporate citizen, the Group will be contributing 5% of the total sales proceeds derived from the selected items offered for sale at the "Purchase-With-Purchase" counter to 34 beneficiary accounts in Peninsular Malaysia in respect of Children Welfare Fund.

Corporate Development

During the financial year, the Company acquired a piece of land together with an existing 2- storey building at Lot 9A, Jalan 223, Petaling Jaya, Selangor Darul Ehsan for use as the Corporate Head Office and as a warehouse.

On 1 April 2002, the Company undertook an internal re-orgainsation by converting its retail operations which were carried out by our wholly-owned subsidiary companies into branches under one new operating company, namely, The Store (Malaysia)

Chairman's Statement

Sdn Bhd (Formerly known as The Store (Bukit Mertajam) Sdn Bhd). The new structure is intended to facilitate central planning and control, leading to greater management efficiency and effectiveness, and the optimization of financial and human resources through economies of scale and may also result in corporate tax savings.

As part of its expansion and rationalization plan, the company has made an investment of 45.26% in Larut Matang Supermarket Holdings Bhd ("Larut Matang") via the acquisitions of the entire equity interest in Delsinar Sdn Bhd and Nilai Hikmat Sdn Bhd. The principal activities of Larut Matang are operation of supermarket and departmental stores. Currently, Larut Matang operates its 16 outlets under one of its wholly-owned subsidiary, Fajar Retail Enterprise Sdn Bhd. As most of the outlets are based predominantly in the northern states of Peninsular Malaysia, these outlets complement the geographical spread of our existing outlets.

Corporate Governance

The Board of Directors has acknowledged the need for good corporate governance and its role in realising long term shareholders' value whilst enhancing corporate accountability and responsibility. Our approach in implementing and adopting the Principles and Best Practice of the Malaysian Code of Corporate Governance is set out on page 18 of this Annual Report.

Directorate

A number of changes has occurred during the year. Firstly, former chairman Datuk Haji Abdul Rahman bin Ramli and Executive Director, Mr Tan You Tiong had both resigned on 1 November 2001 and I have assumed the chairmanship of the Board on 2 November 2001. I would like to thank them for their leadership during their term of service as chairman and directors of the Company.

During the financial year, the board had appointed Mr Chang Yen Huei as a board member as well as an Audit Committee member. Mr Chang is a Chartered Accountant by profession with more than 10 years working experience. I take this opportunity to welcome him and I am confident that his invaluable experience will help the Group to successfully meet the challenges ahead.

Prospect

While the economic recovery seems to be in place, the sustainability of its momentum remains uncertain. Nevertheless, we hope that the retail industry will improve in the coming years, in view of the government's effort to make Malaysia a shopping paradise by having series of Malaysia Carnival Sales and by introducing appropriate fiscal stimulus.

The Group is optimistic of better performance in the coming year through further improvements in customer service, aggressive promotional activities and cost-saving measures as well as through continuing expansion.

Acknowledgment

I would like to take this opportunity to extend my sincere thanks to the Board of Directors, Management and staff for their dedication and commitment, whose efforts have contributed towards the satisfactory results for the financial year under review. I also wish to thank our valued customers, business associates, bankers and shareholders for their continued support and confidence in the Group.

Md Kamal bin Bilal
Chairman

Date : 22 August 2002

Directors' Profile

Md Kamal bin Bilal ~ Chairman
(Independent Non-Executive Director)

Md Kamal bin Bilal, Malaysian, aged 40, was initially appointed to the Board on 14 February 2000 as Non-Executive Director and co-opted as Chairman on 2 November 2001.

He has over 13 years of experience in the government service. He served for 6 years as a Community Development Officer and 7 years as a Supervisor in parliamentary work till to date. Currently, he also sits on the board of several private companies. He does not hold any other directorship in any public companies.

En Kamal does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Tang Yeam Soon
(Managing Director)

Tang Yeam Soon, Malaysian, aged 43, was appointed to the Board on 21 February 2001 as Executive Director and co-opted as Group Managing Director on 23 November 2001.

He has more than 20 years of experience in the business sector, particularly in the garments & retailing industry. As a founder of MCL Corporation Bhd, he began his business career in 1979 and held the position of Managing Director. In 1996, he divested his controlling interest in MCL and re-designated as Deputy Chairman of MCL at the end of 1996 and held the position until early of 1998.

As Group Managing Director, he is mainly responsible for setting and reviewing the operation strategies and succession plans of the Group, evaluating and monitoring the Group's performance goals and management risk.

Presently, he also sits on the board of several private companies and does not hold any other directorship in any public companies.

He is the spouse of Madam Khor Guik Lee who is a major shareholder of The Store Corporation Bhd. Save as disclosed, he does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Kam Teh Chung
(Executive Director)

Kam Teh Chung, Malaysian, aged 53, is an Executive Director who was re-appointed to the Board on 31 May 2001 and currently holding the position of Group Operations Director.

He was previously a Board member serving as Executive Director of The Store Corporation Berhad until his resignation on 30 March 2000. Prior to that, he had served in various and varied capacities in the outlets within the Group. His experience and knowledge plus his understanding of the supermarket and departmental store industry gained from more than 20 years of experience is certainly an asset to The Store Corporation Berhad. Coupled with his knowledge and experience, he also has an impeccable standing in the retail business industry. He does not hold any other directorship in any public companies.

Mr Kam does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Directors' Profile

Chang Yen Huei

(Executive Director)

Chang Yen Huei, Malaysian, aged 38, was appointed to the Board on 2 November 2001 as Executive Director and currently holding the position of Group Finance Director and appointed as member of the Audit Committee on 23 November 2001.

He is a fellow member of Chartered Association of Certified Accountants, UK and a member of the Malaysia Institute of Accountant. He has gained good experience in accounting and financial management through his attachment over 10 years in various industries such as professional accounting firms, computer and retailing industries. He was a Accountant of MCL Corporation Berhad for 3 years before joining Pacific Hypermarket Group Sdn Bhd (PHG) as Group Accountant in 1996. He was subsequently promoted as Group Financial Controller of PHG and further appointed as the Group Financial Controller of The Store Corporation Berhad on February 2001. In the same year, he was promoted as Group Finance Director. He does not hold any other directorship in any public companies.

Mr Chang does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Dato' Haji Mohd. Yusoff bin Haji Amin SMS., PJK., JP.
(Dato' Panglima Kubu – Selangor)

(Independent Non-Executive Director)

Dato' Haji Mohd. Yusoff bin Haji Amin, Malaysian, aged 72, is an Independent and Non-Executive Director and was appointed to the Board on 24 April 2000. He was appointed as a member of the Audit Committee on 31 July 2000 and as chairman of the Nomination Committee on 30 July 2001.

He has held many illustrious positions in a distinguished career in the Public Service. Most notably was the period he served as the Private Secretary to His Royal Highness the late Sultan Of Selangor Darul Ehsan. He served with distinction in this position for over 18 years. He also have the proud record of holding the following appointments/positions for varying periods in the State of Selangor Darul Ehsan namely, Orang Besar Daerah Petaling, District Councillor of Petaling, Member of the Dewan DiRaja, Municipal Councillor of Shah Alam, Member of the Council State Museum, Majlis Agama Islam and the Council of University Pertanian Malaysia.

Presently, Dato' Yusoff sits on the Board of many public and private companies including Southern Acids (M) Berhad and Khee San Berhad. He was also the Honorary Advisor to the Council of Justices of the Peace and Society of the Royal Datos Selangor Darul Ehsan during which period he served as President from 1994 to 1997.

He does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Dato' Dr. Haji Kardin bin Haji Shukor

(Independent Non-Executive Director)

Dato' Dr. Haji Kardin bin Haji Shukor, Malaysian, aged 63, is an Independent and Non-Executive Director who was appointed to the Board on 13 December 1993 and also appointed as Chairman of the Audit Committee. He became the chairman of the Remuneration Committee on 30 July 2001.

He is a qualified Veterinarian and dedicating to his work in animal husbandry so he has held many top positions in the public veterinary service. In 1963, he was seconded as Assistant Veterinarian with the Institute of Veterinary Research, Ipoh and subsequently, transferred to the Kuala Pilah district before furthering his studies at the University of Queensland in 1965.

Directors' Profile

Upon his return to Malaysia in 1969, Dato Dr. Kardin was immediately appointed as Director of Veterinary Service for Kedah followed by other such appointment in various districts throughout Peninsular Malaysia. He does not hold any other directiorship in any public companies.

Dato' Kardin does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Ishak bin Yusuf

(Independent Non-Executive Director)

Ishak bin Yusuf, Malaysian, aged 58, is an Independent and Non-Executive Director who was appointed to the Board on 31 January 2000. He was appointed as a member of Audit Committee on 31 July 2000.

He graduated in 1967 with a Diploma in Education from the Day Training College, Pulau Pinang (Ministry of Education). He was in the teaching profession for 19 years. In 1986, he retired and went into business. He is the Managing Director of Bukit Berapit Indah Sdn Bhd, Bukit Berapit Country Club Sdn Bhd, Wise Place Sdn Bhd and also sits on the Board as Director of several private limited companies which are mainly involved in property development and construction. He was also a counsellor with The Majlis Perbandaran Seberang Perai from 1991 – 1998. He does not hold any other directiorship in any public companies.

He does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Mohd Qari bin Ahmad

(Independent Non-Executive Director)

Mohd Qari bin Ahmad, Malaysian, aged 48, is an Independent and Non-Executive Director who was appointed to the Board on 14 February 2000. He was appointed as member of both Nomination and Remuneration Committee on 30 July 2001.

He obtained a Masters of Business Administration Degree (MBA) from the University of Aston in Birmingham, United Kingdom and is a Fellow of the Association of the Institute of Chartered Secretaries and Administrators, United Kingdom. Before venturing into merchant banking, he spent about 4 $^1/_2$ years in the company secretarial profession. In 1983, he joined Perwira Affin Merchant Bank Berhad and rose to the position of General Manager of the Corporate Finance and Advisory Division. Throughout his 12 years' career in merchant banking, he has had considerable exposure in a full range of corporate advisory transactions including initial public offerings, corporate restructuring and capital raising schemes, mergers, acquisitions and take-overs as well as independent valuations. As General Manager, he represented the Bank as Council Member in the Association of Merchant Banks Malaysia (AMBM). He was also a member of the Corporate Finance Sub-Committee of AMBM and an alternate Director on the Board of Malaysia Issuing House Sdn Bhd. He left the Bank in August 1996 to set up his own corporate advisory and consultancy business. He has held various directorships in various public listed companies. He is currently the Managing Director of Damansara Realty Berhad. He is also a Director of Amtek Holdings Berhad, Long Huat Group Berhad and Lii Hen Industries Berhad, all of which are public listed companies.

He does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Directors' Profile

Yeoh Chong Keng

(Independent Non-Executive Director)

Yeoh Chong Keng, Malaysian, aged 50, is an Independent and Non-Executive Director who is a lawyer by profession and was appointed to the Board on 14 February 2000. He was appointed as a member of Nomination Committee on 30 July 2001.

He was a senior police officer in the Royal Malaysian Police Force before proceeding to read Law at Lincoln's Inn, England. He was called to the English Bar and Malaysian Bar in 1980 and 1981 respectively and is currently a Senior Partner of a Legal Firm. He is currently an Independent Non-Executive Director and Chairman of the Audit Committee of UH Dove Holdings Berhad.

He does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Lim Gin Chuan

(Non-Independent Non-Executive Director)

Lim Gin Chuan, Malaysian, aged 39, is a Non-Independent and Non-Executive Director who was appointed to the Board on 31 January 2000. He was appointed as a member of the Remuneration Committee on 30 July 2001.

He obtained his Bachelor of Economics (major in Accounting) and Bachelor of Law Degree from Monash University, Melbourne, Australia. He served as a Legal Assistant in a Legal Firm in 1989 to 1990. From 1991 till today, he has been a Partner in a Legal Firm. His main areas of expertise are in the field of conveyancing, banking and company law. His firm serves as Panel Solicitors for various Banks and Finance Companies. He is also presently a Director of Wong Engineering Berhad and SDKM Fibres, Wires & Cables Bhd.

He does not have any family relationship with any Directors and/or major shareholders of The Store Corporation Bhd or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

Corporate Governance and Other Disclosures

The Malaysian code on Corporate Governance ("the code") was introduced in March 2000, and sets out the Principles and Best Practices for compliance by any organizations.

The new Listing Requirements of Kuala Lumpur Stock Exchange ("KLSE") require a listed company to apply the Principles and Best Practices of the code to raise standard of Corporate Governance.

The Board of Director of The Store Corporation Berhad fully supports the recommendation of the code and commits to ensure that good Corporate Governance is being practised throughout the Group in order to enhance business property and corporate accountability with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement describes the approach that the Company has taken to implement and adopt the Principles and Best Practices of the code.

A. The Board Of Directors

(i) Responsibility

The Board of Director of The Store Corporation Berhad takes full responsibility for the performance of the Group.

The Executive Directors are generally responsible for making and implementing operational decisions whilst the Non-Executive Directors support the skills and experience of the Executive Directors contributing to the formulation of policy and decision making through their knowledge and experience of other business sectors.

There is a clear division of responsibilities between the Chairman and Managing Director to ensure balance of power and authority. The Chairman leads the strategic planning at the Board level while the Managing Director is responsible for the implementation of the policies and executive decision making.

The independent Non-Executive Directors provide an independent judgement of the issues of strategy, performance and resource allocation. They carry sufficient weight in Board decision to ensure long-term interest of the shareholders, employees, customers and other stakeholders.

The Board does not consider it necessary to nominate a recognized Senior Independent Non-Executive Director to the board to whom any concerns may be conveyed, in view of the present independent element of the board composition and the separation role of the Chairman and Managing Director.

(ii) Composition

The Directors are satisfied that the composition of the Board is broadly balanced to reflect the interests of major shareholders and minority shareholders.

The Company's Articles of Association currently provide for a Board composed of a maximum of eleven directors. The present Board has 10 directors comprising:

1 Independent & Non-Executive Chairman
1 Managing Director
2 Executive Directors
5 Independent & Non-Executive Directors
1 Non-Independent & Non-Executive Director

Corporate Governance and Other Disclosures

The composition of the Board is in compliance with the requirement of the KLSE.

The Directors are professionals in the fields of political science, management, administration, legal, finance and accounting and together they bring a balance of skills and a wealth of experience to effectively lead and control the Group.

The profiles of all the directors are set out on pages 14 to 17 of this Annual Report.

(iii) Board Meeting

Four meetings were held during the financial year to control and monitor the development of the Group.

Please refer to page 8 for the details of the attendance of each director.

Prior to each Board Meeting, the Chairman ensures that the Board members are given the board paper with appropriate support documents among others the performance and financial status of the Group and corporate development of the Group to enable them to discharge their duties.

All the Directors have access to the advices and services of the Company Secretaries and also to take independent professional advice at the Company's expense, if necessary.

The Company Secretaries were available at all times to ensure that the relevant procedures are in accordance with the rules and regulations of the relevant authorities.

Besides Board Meetings, the Board also exercises control on matters that require Board's approval through circulation of Directors' Resolution.

(iv) Re-election of Directors

In accordance with the Company's Articles of Association, one third of the Directors (including the Managing Director) shall retire from office and be eligible for re-election at each Annual General Meeting and all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Directors appointed during the year will be subject to retirement and re-election by shareholders at the Annual General Meeting.

(v) Directors Training

All current and previous Directors have attended the Mandatory Accreditation Programme organized by Research Institute of Investment Analysis Malaysia, an affiliate company of the KLSE and will attend similar training programme annually to equip themselves with the knowledge in furtherance of their duties. The Directors will continue to undergo other relevant training programmes to keep abreast with the relevant changes in laws and regulations and the business environment.

(vi) Board Committees

The Board had established:-

a) The Audit Committee

The terms of reference and further information on the Audit Committee are set out on Page 25 of this Annual Report.

Corporate Governance and Other Disclosures

b) The Remuneration Committee

The Remuneration Committee was established on 30 July 2001 and the members are as follows:

~ Dato' Dr Haji Kardin bin Hj Shukor (Independent & Non-Executive Director)	-	Chairman
~ Encik Mohd Qari bin Ahmad (Independent & Non-Executive Director)	-	Member
~ Mr. Lim Gin Chuan (Non Independent & Non Executive Director)	-	Member

The Remuneration Committee is responsible for developing the remuneration packages and benefits of the Executive Directors and recommending to the Board for approval. Non-Executive Directors' remuneration are determined by the full Board. Directors do not participate in decision on their own remuneration packages. Directors' fees are approved by the shareholders at the Annual General Meeting.

(c) The Nomination Committee

The Nomination Committee was established on 30 July 2001 and the members are as follows:-

~ Dato' Haji Mohd Yusoff bin Haji Amin (Independent & Non-Executive Director)	-	Chairman
~ En. Mohd Qari bin Ahmad (Independent & Non-Executive Director)	-	Member
~ Yeoh Chong Keng (Independent & Non-Executive Director)	-	Member

The Nomination Committee is responsible for nominating new candidates to the Board and to ensure the appropriate Board balance and size and review the required mix of skills, experience and other competencies and recommends to the Board. The Board will be implementing a process and to be carried out by the Nomination Committee, for assessing the effectiveness of the individual Directors and the Board as a whole.

B. Directors' Remuneration

Remuneration of directors is reviewed periodically having regard to performance and market condition.

The details of the remuneration of the Directors of the Company for the financial year under review are as follows:-

	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Fees	27,000	94,000	121,000
Salaries	1,012,000	-	1,012,000
Allowance & other emolument	88,083	229,667	317,750
	1,127,083	323,667	1,450,750

Corporate Governance and Other Disclosures

The number of Directors in each remuneration band for the financial year ended 31 March 2002 is as follows:-

	Member of Directors		
Range of Remuneration	**Executive Director**	**Non-Executive Director**	**Total**
Below 50,000	-	8	8
RM 50,000 - RM100,000	1	-	1
RM100,001 - RM150,000	1	-	1
RM300,000 - RM350,000	1	-	1
RM600,000 - RM650,000	1	-	1

** One executive director and one non-executive director resigned during the financial year.*

C. Relationship with Shareholders

The Annual General Meeting and Extraordinary General Meeting are major opportunities to meet individual shareholders, and investors and they are given the opportunity to raise question on the operation, financial performance and major developments of the Group.

Apart from the mandatory announcements of the Group's financial results and corporate developments to the KLSE, the Group also sets up a website www.tstore.com.my for public access of the Group information and recent developments and for feedback.

D. Accountability and Audit

(i) Financial Reporting

The Board is responsible to ensure that accurate and timely announcements of Group's quarterly financial statements are made. The Board also approves the quarterly and annual financial statements before they are submitted to the KLSE.

The Board had ensured that the financial statements present true and fair view of the state of affairs, the results and cash flows of the Company and Group.

The statement of the Board's responsibility for preparing the financial statements pursuant to para 15.27 of the KLSE Listing Requirement is presented on page 24.

(ii) Relationship with the Auditors

The external auditors attended all scheduled meetings of Audit Committee during the year. The Company maintains a transparent relationship with the external auditors in seeking their professional advice and ensuring compliance with the accounting standards.

The role of the auditors and their participation during the year are stated in the Audit Committee's report on pages 25 to 28 of this Annual Report.

(iii) Internal Control

The Internal Control Statement for the Group is set out on page 23 of this Annual Report.

Corporate Governance and Other Disclosures

OTHER INFORMATION:-

1. **SHARE BUYBACKS**
   During the financial year, there were no share buybacks by the Company.

2. **AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMMES**
   During the financial year, the Company did not sponsor any ADR or GDR programmes.

3. **IMPOSITION OF SANCTIONS AND/OR PENALTIES**
   There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

4. **NON-AUDIT FEES**
   The amount of non-audit fees paid to the external auditors by the Company for the period amounted to RM116,420.

5. **VARIATION IN RESULTS**
   There was no material variance between the results of the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

6. **PROFIT GUARANTEES**
   During the financial year, there were no profit guarantees given by the Company.

7. **MATERIAL CONTRACTS**
   During the financial year, there were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests.

8. **CONTRACTS RELATING TO LOANS**
   There were no material contracts relating to loans by the Company involving Directors and major shareholders.

9. **OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**
   During the financial year, no options, warrants or convertible securities were issued by the Company.

10. **REVALUATION OF LANDED PROPERTIES**
    The Company does not have a revaluation policy on landed properties.

Internal Control Statement

Responsibility for Risk and Internal Control

The Board acknowledges its responsibility of maintaining a good system of internal controls, covering not only financial controls but also operational and compliance controls as well as risk assessments. The internal control system is designed to meet the Group's particular needs and to manage the risks to which it is exposed. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement, fraud or loss.

The Board confirms that the Group has in place an on-going process for identifying, evaluating and managing significant risks faced by the Group for the year under review. This process is regularly reviewed by the Board.

The internal control systems are embedded in the various work processes and procedures at appropriate management levels within the Group.

Ongoing reviews are continuously carried out in line with the changes in the operating environment to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets and therefore shareholders' investment in the Group.

Internal Audit Function

The Group has in place an adequately resourced Internal Audit Department which provides the Directors with much of the assurance regarding the adequacy and integrity of the systems of internal control. The Group's internal audit function is independent of the activities they audit and is performed with impartiality, proficiency and due professional care.

Internal audit review highlights potential major weaknesses in control procedures and makes recommendations for improvements. During the financial year, the internal audit team had already conducted various audit assignments, and effected several systems of internal control covering financial controls, operational and compliance controls and risk management.

Other Risk and Control Processes

Apart from risk management and internal audit, the Directors have put in place an organisational structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trait of accountability.

Adequate financial and operational information systems are in place to capture and present timely and pertinent internal and external business information.

Clear reporting structure ensures financial and operational reports are periodically prepared and presented to Management for discussion and review on a timely basis.

Regular meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.

The system of internal controls was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Management of the Group continues to take measures to strengthen the internal control environment.

Statement of Directors' Responsibility

The Board of Directors is required under Paragraph 15.27 (a) of the revamped Kuala Lumpur Stock Exchange Listing Requirements to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements of The Store Corporation Bhd for the financial year ended 31 March 2002, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial positions of the Company which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Audit Committee Report

The Board of Directors of The Store Corporation Bhd is pleased to present the report of the Audit Committee for the financial year ended 31 March 2002.

The Audit Committee comprising the following:

Chairman	:	Dato' Dr Haji Kardin bin Haji Shukor (Independent Non-Executive Director)
Member	:	Dato' Haji Mohd Yusoff bin Haji Amin (Independent Non-Executive Director)
Member	:	Ishak bin Yusuf (Independent Non-Executive Director)
Member	:	Chang Yen Huei (Executive Director)

A. Composition and Appointment

The Audit Committee comprises four members with more than one-third being independent directors and chaired by Dato' Dr Haji Kardin bin Haji Shukor. Mr Chang Yen Huei was appointed on 23 November 2001, he is an accountant and his appointment is in compliance with Part II of the 1st Schedule of the Accountants Act, 1967.

B. Terms of Reference

The terms of reference incorporating the requirements of the new KLSE Listing Requirement has been reviewed and adopted by the Audit Committee.

1. Membership

a) The Audit Committee shall be appointed by the Board from among its members.

b) The term of office of audit and the terms of reference should be reviewed by the Board not less than every three years.

c) The Committee shall consist of not less than three members, majority of which should be Independent non-executive Directors.
The word "Independent" shall be the same as defined in the Listing Requirements of Kuala Lumpur Stock Exchange.

d) An alternate director shall not be appointed as a member of the Committee.

e) At least one member:
   i) must be a member of the Malaysian Institute of Accountants ; or
   ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and ;
      - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
      - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

Audit Committee Report

f) No member of the Committee shall be :-
   i) a spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an Executive Director of the Company or of any related corporation, or ;
   ii) spouse of brother, sister, son or adopted son, daughter or adopted daughter of an Executive Director of the Company or of any related corporation, or any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the function of the Audit Committee.

g) The members of the Committee shall select a chairman from among their number and be appointed by the Board from the Independent non-Executive Directors.

h) If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board shall, within three months of the event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Authority

a) The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

b) The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

c) The Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity, if any.

d) The Committee shall promptly report to the Exchange of any matter reported by the Audit Committee to the Board of Directors of the Company which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Kuala Lumpur Stock Exchange.

3. Functions

The functions of the Committee shall be:

a) To review and report to the Board
   - with the external auditors the audit plan;
   - with the external auditors the evaluation of the system of internal accounting controls;
   - with the external auditors the audit report;
   - the assistance given by the Company's officers to the external auditors;
   - the quarterly results and annual financial statements of the Company and Group and thereafter to submit them to the directors of the Company, particularly on:
     *any change in or implementation of major accounting policies and practices;
     *significant adjustment arising from the audit;
     *the going concern assumption; and
     *compliance with accounting standards and other legal requirements
   - any related party transactions that may arise within the Company or Group.

Audit Committee Report

b) To do the following for internal audit:
   - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
   - review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
   - review any appraisal or assessment of the performance of members of the internal audit function.

c) To consider the appointment, remuneration and resignation of external auditors; and such other functions as may be defined by the Board of Directors.

d) To review the internal audit plan, consider significant findings and management's response and report to the Board together with such other functions as may be agreed to by the Committee and the Board.

4. Attendance At Meeting

a) The Managing Director, the Executive Directors, any other Board Members, General Managers or any other senior executives as may be requested by the Committee and a representative of the external auditors shall normally attend meetings. However, at least once a year the Committee shall meet with the external auditors.

b) Any two members of the Committee present at the meeting shall constitute a quorum. And the quorum must be the independent Directors.

c) The Company Secretary shall be Secretary of the Committee.

5. Frequency Of Meetings

a) Meetings shall be held not less than two times a year.

b) The external auditors may request a meeting if they consider that one is necessary.

6. Reporting

The agenda will be prepared by the Company Secretary and circulated to the Committee prior to each meeting.

The Company Secretary shall be responsible for keeping minutes of meetings of the Committee and circulating them to all members of the Board.

7. Voting and proceeding of meeting

The decision of the Audit Committee shall be by majority of votes and the determination by a majority of the members shall for all purposes be deemed a determination of the Audit Committee. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Audit Committee.

Audit Committee Report

8. Custody, production and inspection of minutes

The minutes of proceedings of the Audit Committee shall be kept by the Company Secretary at the Registered office of the Company, and shall be open to the inspection of any member of the Committee or any member of the Board of Directors.

C. Activities During the Year

The Committee has carried out the following functions during the financial year under review:

i) Reviewed the unaudited quarterly financial results and year end financial statements of the Group prior to the approval by the Board, focus particularly on :

a) any significant and unusual events;
b) any significant adjustments arising from the audit ;
c) going concern assumption ; and
d) compliance with accounting standards and other requirements.

ii) Reported and recommended to the Board to approve the annual financial statements.

iii) Reviewed the Annual Report in compliance with the listing requirements and other relevant regulatory requirements.

D. Attendance of the Audit Committee Meeting

There were four Audit Committee meetings held for the financial year ended 31 March 2002 and the attendance is as follows:

Audit Committee Members	Number of meetings attended
Dato' Dr Haji Kardin bin Haji Shukor	4/4
Dato' Haji Mohd Yusoff bin Haji Amin	4/4
Ishak bin Yusuf	4/4
Chang Yen Huei (appointed on 23.11.2001)	2/4

E. Internal Audit Function

The Company has an internal audit department whose principal responsibility is to conduct periodic audits on internal control matters to ensure their compliance with systems and standard operating procedures in each branch. The main objective of these audits is to provide a reasonable assurance that they operate satisfactorily and effectively. Investigation had also been conducted with regard to various specific areas of concern and high risk areas.

Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

Directors' Report

FOR THE YEAR ENDED 31 MARCH 2002

The directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services.

The principal activities of the subsidiary companies are indicated in Note 3 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after tax	16,414,909	12,227,084
Minority interests	52,395	-
Net profit for the year	16,467,304	12,227,084
Unappropriated profit brought forward	83,669,458	39,742,780
Profit available for appropriation	100,136,762	51,969,864
Dividend	(2,690,323)	(2,690,323)
Unappropriated profit carried forward	97,446,439	49,279,541

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows:

In respect of the year ended 31 March 2001 as disclosed in the directors' report of that year.

- First and final dividend of 6% less 28% tax paid on 11 December 2001	RM2,690,323

The directors now recommend a first and final dividend of 6% less 28% tax amounting to RM2,690,323 for the current financial year.

Directors' Report

FOR THE YEAR ENDED 31 MARCH 2002

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

DIRECTORS

The directors in office since the date of the last report are:

En Md. Kamal bin Bilal

Mr Tang Yeam Soon

Dato' Haji Mohd Yusoff bin Haji Amin

Dato' Dr. Hj. Kardin bin Hj. Shukor

En Ishak bin Yusuf

Mr Lim Gin Chuan

Mr Yeoh Chong Keng

En Mohd Qari bin Ahmad

Mr Kam Teh Chung

Mr Chang Yen Huei (appointed on 2-11-2001)

Datuk Haji Abdul Rahman bin Ramli (resigned on 1-11-2001)

Mr Tan You Tiong (resigned on 1-11-2001)

In accordance with the Company's Articles of Association, Mr Chang Yen Huei who was appointed to the board subsequent to the date of the last annual general meeting, retires at the forthcoming annual general meeting together with Messrs Lim Gin Chuan and Yeoh Chong Keng and En Mohd Qari bin Ahmad who retire by rotation. All the retiring directors, being eligible, offer themselves for re-election.

Dato' Haji Mohd Yusoff bin Haji Amin, retires at the annual general meeting in accordance with Section 129 of the Companies Act, 1965, and, being eligible, offers himself for re-election.

Directors' Report

FOR THE YEAR ENDED 31 MARCH 2002

DIRECTORS' INTERESTS IN SHARES

Directors' shareholdings and interests in shares in the Company were as follows:

	------ Number of ordinary shares of RM1 each ------			
	At 1-4-2001	Bought	Sold	At 31-3-2002
Mr Tang Yeam Soon				
- direct interest	1,242,000	1,511,000	-	2,573,000
- deemed interest	-	13,548,000	-	13,548,000
Dato' Dr. Hj. Kardin bin Hj. Shukor				
- direct interest	10,000	-	-	10,000
- deemed interest	-	-	-	-
En Mohd Qari bin Ahmad				
- direct interest	-	-	-	-
- deemed interest	12,148,000	1,400,000	-	13,548,000
Mr Kam Teh Chung				
- direct interest	320,869	-	-	320,869
- deemed interest	-	-	-	-
Mr Chang Yen Huei				
- direct interest	-	1,000	-	1,000
- deemed interest	-	2,400,000	-	2,400,000

None of the other directors who held office at the end of the financial year held any shares or had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full time employee of the Company) 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the 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.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Company and of the Group were made out, the directors took reasonable steps:

(i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and of the Group had been written down to an amount which they might be expected so to realise.

Directors' Report

FOR THE YEAR ENDED 31 MARCH 2002

(b) At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent, or

(ii) which would render the values attributed to the current assets in the financial statements of the Company and of the Group misleading, or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person, or

(ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.

(d) No contingent or other liability of the Company or its subsidiary companies 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 affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.

(e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company and of the Group which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the directors:

(i) the results of the operations of the Company and of the Group for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

AUDITORS

The auditors, Moores Rowland, Chartered Accountants, have expressed their willingness to continue in office.

On behalf of the Directors

TANG YEAM SOON
Director

CHANG YEN HUEI
Director

30 July 2002

Report of The Auditors

TO THE MEMBERS OF THE STORE CORPORATION BERHAD

We have audited the financial statements set out on pages 35 to 60. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements. We believe our audit has provided us with a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up:

(i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company and of the Group;

(ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 March 2002 and of their results and cash flows for the year ended on that date; and

(iii) in accordance with applicable approved accounting standards; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 3 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174 (3) of the Act.

MOORES ROWLAND
No. AF: 0539
Chartered Accountants

GAN MORN GHUAT
No. 1499/5/03 (J)
Partner

Kuala Lumpur
30 July 2002

Balance Sheets

FOR THE YEAR ENDED 31 MARCH 2002

	Note	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
PROPERTY, PLANT AND EQUIPMENT	2	211,248,768	208,227,562	10,744,529	250,442
SUBSIDIARY COMPANIES	3	-	-	202,894,471	148,366,088
ASSOCIATED COMPANY	4	16,114,434	-	-	-
OTHER INVESTMENTS	5	2,333,469	2,333,469	-	-
GOODWILL ON ACQUISITION	6	14,791,966	5,991,462	-	-
CURRENT ASSETS					
Inventories	7	133,411,701	126,209,607	-	-
Trade and other receivables	8	42,701,631	50,540,423	10,993,115	16,854,830
Amount owing by subsidiary companies	3	-	-	120,369,829	139,101,921
Tax recoverable		6,406,479	3,000,388	2,676,954	1,434,579
Time deposits	9	2,968,770	18,029,255	875,000	4,902,923
Cash and bank balances		30,854,228	24,321,798	8,936,875	2,113,511
		216,342,809	222,101,471	143,851,773	164,407,764
Less:					
CURRENT LIABILITIES					
Trade and other payables	10	231,407,822	216,014,033	8,898,564	188,343
Amount owing to subsidiary companies	3	-	-	223,416,140	183,626,846
Bank borrowings	11	38,899,911	22,000,800	10,500,000	10,500,000
Tax payable		1,715,126	5,005,968	-	-
Proposed dividend		2,690,323	2,690,323	2,690,323	2,690,323
		274,713,182	245,711,124	245,505,027	197,005,512
NET CURRENT LIABILITIES		(58,370,373)	(23,609,653)	(101,653,254)	(32,597,748)
		186,118,264	192,942,840	111,985,746	116,018,782
Financed by:					
SHARE CAPITAL	12	62,276,002	62,276,002	62,276,002	62,276,002
UNAPPROPRIATED PROFIT		97,446,439	83,669,458	49,279,541	39,742,780
SHAREHOLDERS' EQUITY		159,722,441	145,945,460	111,555,543	102,018,782
DISCOUNT ON ACQUISITION	13	16,342,450	17,892,238	-	-
MINORITY INTERESTS		777,863	1,496,374	-	-
LONG TERM LIABILITIES	14	3,956,800	22,705,668	430,203	14,000,000
DEFERRED TAX LIABILITIES	15	5,318,710	4,903,100	-	-
		186,118,264	192,942,840	111,985,746	116,018,782

Notes to and forming part of the financial statements are set out on pages 41 to 60

Income Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Note	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Gross revenue	16	1,226,598,855	1,163,901,632	22,739,000	17,562,000
Cost of sales	17	(1,028,826,205)	(983,985,867)	-	-
Gross profit		197,772,650	179,915,765	22,739,000	17,562,000
Other operating income		7,351,451	7,457,099	26,396	234,782
Marketing and selling expenses		(121,615,149)	(108,024,918)	-	-
Administrative and general expenses		(55,409,947)	(53,278,698)	(3,475,775)	(2,686,632)
Amortisation of goodwill on acquisition		(1,017,178)	(519,371)	-	-
Amortisation of discount on acquisition		1,806,727	-	-	-
Profit from operations		28,888,554	25,549,877	19,289,621	15,110,150
Finance costs		(3,868,635)	(3,874,305)	(1,742,537)	(1,350,322)
Profit before tax	18	25,019,919	21,675,572	17,547,084	13,759,828
Tax expense	19	(8,605,010)	(10,448,378)	(5,320,000)	(4,330,000)
Profit after tax		16,414,909	11,227,194	12,227,084	9,429,828
Minority interests		52,395	1,952,117	-	-
Net profit for the year		16,467,304	13,179,311	12,227,084	9,429,828
Net dividend per share (sen)		4.32	4.32	4.32	4.32
Earnings per share (sen)	20	26.44	21.16		

Notes to and forming part of the financial statements are set out on pages 41 to 60

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2002

	Share capital RM	Unappropriated profit RM	Total RM
At 1 April 2000			
- As previously reported	62,276,002	73,310,525	135,586,527
- Prior year adjustment (Note 21)	-	(130,055)	(130,055)
- As restated	62,276,002	73,180,470	135,456,472
Net profit for the year	-	13,179,311	13,179,311
Proposed first and final dividend of 6% less 28% tax	-	(2,690,323)	(2,690,323)
At 31 March 2001	62,276,002	83,669,458	145,945,460
Net profit for the year	-	16,467,304	16,467,304
Proposed first and final dividend of 6% less 28% tax	-	(2,690,323)	(2,690,323)
At 31 March 2002	62,276,002	97,446,439	159,722,441

Notes to and forming part of the financial statements are set out on pages 41 to 60

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2002

	Share capital RM	Unappropriated profit RM	Total RM
At 1 April 2000	62,276,002	33,003,275	95,279,277
Net profit for the year	-	9,429,828	9,429,828
Proposed first and final dividend of 6% less 28% tax	-	(2,690,323)	(2,690,323)
At 31 March 2001	62,276,002	39,742,780	102,018,782
Net profit for the year	-	12,227,084	12,227,084
Proposed first and final dividend of 6% less 28% tax	-	(2,690,323)	(2,690,323)
At 31 March 2002	62,276,002	49,279,541	111,555,543

Notes to and forming part of the financial statements are set out on pages 41 to 60

Cash Flow Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	25,019,919	21,675,572	17,547,084	13,759,828
Adjustments for:				
Amortisation of goodwill	1,017,128	519,371	-	-
Amortisation of discount on acquisition	(1,806,727)	-	-	-
Depreciation	19,707,622	19,065,485	244,204	64,593
Property, plant and equipment written off	1,453,522	50,183	-	-
Gain on disposal of property, plant and equipment	(247,307)	(44,604)	-	(19,999)
Allowance for doubtful debts	51,526	58,139	-	-
Bad debts written off	27,856	12,145	-	-
Inventories written down	79,382	82,103	-	-
Dividend income	-	-	(22,739,000)	(17,232,000)
Interest income	(189,641)	(1,058,164)	(26,396)	(214,783)
Interest expenses	3,659,366	3,832,456	1,691,912	1,350,322
Hire purchase and finance lease term charges	209,269	41,849	50,625	-
Operating profit before working capital changes	48,981,915	44,234,535	(3,231,571)	(2,292,039)
Changes in inventories	(2,557,110)	(6,613,276)	-	-
Changes in debtors	8,253,883	(5,981,736)	5,861,715	(1,705,254)
Changes in creditors	8,838,066	(19,060,072)	8,608,226	112,284
Cash generated from operations	63,516,754	12,579,451	11,238,370	(3,885,009)
Interest received	189,641	1,058,164	26,396	214,783
Interest paid	(3,659,366)	(3,832,456)	(1,691,912)	(1,350,322)
Tax paid	(14,886,333)	(15,466,120)	(195,455)	(699,279)
Net cash from operating activities	45,160,696	(5,660,961)	9,377,399	(5,719,827)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(21,147,228)	(17,479,107)	(10,114,292)	(62,817)
Acquistion of new subsidiary companies, net of cash (Note 22)	(25,161,039)	-	(25,417,883)	-
Purchase of additional shares in subsidiary companies	(976,002)	(29,293,300)	(29,110,500)	(34,249,302)
Proceeds from disposal of property, plant and equipment	895,528	813,896	1	20,000
Purchase of other investment	-	(1,300)	-	-
Dividends received	-	-	16,372,080	12,407,040
Repayment by subsidiary companies	-	-	18,732,092	(41,254,182)
Net cash used in investing activities	(46,388,741)	(45,959,811)	(29,538,502)	(63,139,261)

Notes to and forming part of the financial statements are set out on pages 41 to 60

Cash Flow Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid to shareholders of the Company	(2,690,323)	(2,690,323)	(2,690,323)	(2,690,323)
Issue of shares to minority shareholders	160,000	211,000	-	-
Fund raised from refinancing of property, plant and equipment under finance lease	614,827	-	-	-
Bank term loans raised	2,500,000	51,500,000	-	31,500,000
Repayment of bank term loans	(22,031,888)	(46,024,688)	(14,000,000)	(7,000,000)
Repayment of hire purchase and finance lease instalments	(877,476)	(134,866)	(91,802)	-
Hire purchase and finance lease term charges paid	(209,269)	(41,849)	(50,625)	-
Advances from subsidiary companies	-	-	39,789,294	23,235,380
Net cash used in financing activities	(22,534,129)	2,819,274	22,956,544	45,045,057
NET CHANGES IN CASH AND CASH EQUIVALENTS	(23,762,174)	(48,801,498)	2,795,441	(23,814,031)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	40,030,830	88,832,328	7,016,434	30,830,465
CASH AND CASH EQUIVALENTS CARRIED FORWARD	16,268,656	40,030,830	9,811,875	7,016,434
Represented by:				
TIME DEPOSITS	2,968,770	18,029,255	875,000	4,902,923
CASH AND BANK BALANCES	30,854,228	24,321,798	8,936,875	2,113,511
BANK OVERDRAFTS	(17,554,342)	(2,320,223)	-	-
	16,268,656	40,030,830	9,811,875	7,016,434

During the financial year, the Group and the Company purchased property, plant and equipment amounting to RM22,591,228 (2001 : RM18,703,842) and RM10,738,292 (2001 : RM62,817) respectively of which RM1,444,000 (2001 : RM1,224,735) and RM624,000 (2001 : Nil) respectively were financed under hire purchase and finance lease and the balance of RM21,147,228 (2001 : RM17,479,107) and RM10,114,292 (2001 : RM62,817) respectively were paid by cash.

Notes to and forming part of the financial statements are set out on pages 41 to 60

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, unless otherwise indicated in the accounting policies set out below, and comply with applicable approved accounting standards issued or adopted by the Malaysian Accounting Standards Board.

(b) Subsidiary companies

A subsidiary company is a company in which the Company has power to control the financial and operating policies so as to obtain benefits from its activities.

The Company's interests in subsidiary companies are stated at cost, and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

(c) Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. All material inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The financial statements of the subsidiary companies are consolidated on the acquisition method of accounting and the results of the subsidiary companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

(d) Associated company

Associated company is defined as a company in which the Group holds a long term equity interest, has representation on the board of directors and is in a position to exercise significant influence in its management, but not control, over the financial and operating policies.

Investment in associated company is stated at cost and is written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

The Group's share of results and reserves of the associated company is accounted for in the consolidated income statement under the equity method of accounting in place of dividends received. On the consolidated balance sheet, the Group's interest in associated company is stated at cost plus the Group's share of post-acquisition results and reserves which reflects the share of the net assets of the associated company.

The post-acquisition results and reserves of the associated company accounted for in the consolidated income statement are based on the latest audited or management financial statements made up to the end of the financial year.

(e) Goodwill or discount on acquisition

The difference between the acquisition cost and the fair values of attributable net assets acquired is reflected as goodwill or discount on acquisition. Discount on acquisition is retained in the consolidated balance sheet and is credited to the income statement over a period of 10 years. Where goodwill is considered to be capable of generating future economic benefits, it is capitalised in the financial statements and amortised on the straight line basis over a period of 10 years, otherwise it is written off in the income statement in the year of acquisition. The carrying amount and amortisation period are reviewed annually, and goodwill is written down when, in the opinion of the directors, its value has deteriorated or when it ceases to have a useful life.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

(f) Property, plant and equipment

(i) Measurement basis

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

Property, plant and equipment under hire purchase are capitalised in the financial statements and the corresponding obligations are treated as liabilities.

Leased assets

Leases in which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment loss.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Company's incremental borrowing rates are used.

(ii) Depreciation

Freehold land is not amortised while long term leasehold land is amortised over the remaining lease period of between 83 and 938 years.

Depreciation is calculated to write off the cost of other property, plant and equipment on the straight line basis over their expected useful lives at the following annual rates:

Buildings	2% - 10%
Machinery & equipment	10% - 33 1/3 %
Furniture, fixtures & fittings	10%
Motor vehicles	10% - 20%
Renovations	5% - 10%

(g) Other investments

Other investments are stated at cost and held for long term. The investments are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first in first out basis and represents the invoiced cost of goods purchased.

(i) Debtors

Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

(j) Income recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and the Company when the income can be measured reliably, on the following bases:

(i) Sale of goods

Sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customers.

(ii) Rental income

Rental income is recognised on a time proportion basis over the lease term.

(iii) Concessionary commission

Concessionary commission is recognised on an accrual basis upon sale of concessionary goods.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(v) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(vi) Management fee

Management fee is recognised on an accrual basis when services are rendered.

(k) Finance costs

Finance costs comprise interest paid and payable on borrowings.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. The interest components of hire purchase and finance lease payments are charged to the income statement over the hire purchase and financial lease periods so as to give a constant periodic rate of interest on the remaining hire purchase and finance lease liabilities.

(l) Tax expense

The tax expense in the income statement represents taxation at current tax rate based on profit earned during the year.

Deferred taxation is provided on the liability method for taxation deferred in respect of all material timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(m) Cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

2. PROPERTY, PLANT AND EQUIPMENT

Group 2002 Cost	Freehold land and buildings RM	Long leasehold land and buildings RM	Motor vehicles RM	Machinery and equipment RM	Furniture, fixtures and fittings RM	Renovations RM	Total RM
At 1 April	114,903,202	9,959,026	7,953,455	59,554,362	95,158,228	18,754,391	306,282,664
Acquisition of subsidiary	-	-	152,350	606,310	231,040	1,466,534	2,456,234
Additions	-	8,500,000	1,768,796	2,434,222	2,101,750	7,786,460	22,591,228
Disposals	-	-	(1,487,819)	(452,629)	(155,948)	-	(2,096,396)
Write-off	-	-	-	(317,433)	(2,752,618)	(352,753)	(3,422,804)
At 31 March	114,903,202	18,459,026	8,386,782	61,824,832	94,582,452	27,654,632	325,810,926
Accumulated depreciation							
At 1 April	7,383,144	169,011	6,695,705	29,036,568	47,927,548	6,843,126	98,055,102
Acquisition of subsidiary	-	-	25,392	50,462	19,140	121,897	216,891
Charge for the year	2,215,574	16,196	1,015,904	5,871,240	8,378,688	2,210,020	19,707,622
Disposals	-	-	(1,392,128)	(44,855)	(11,192)	-	(1,448,175)
Write-off	-	-	-	(268,868)	(1,609,208)	(91,206)	(1,969,282)
At 31 March	9,598,718	185,207	6,344,873	34,644,547	54,704,976	9,083,837	114,562,158
Net book value at 31 March	105,304,484	18,273,819	2,041,909	27,180,285	39,877,476	18,570,795	211,248,768
2001							
Net book value at 31 March	107,520,058	9,790,015	1,257,750	30,517,794	47,243,721	11,898,224	208,227,562
Depreciation charge for the year	2,216,674	21,967	959,108	5,627,108	8,071,706	2,168,922	19,065,485

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

Company 2002 Cost	Long leasehold land and building RM	Motor vehicles RM	Equipment RM	Furniture, fixtures and fittings RM	Renovations RM	Total RM
At 1 April	-	742,612	242,185	154,346	1,970	1,141,113
Additions	8,500,000	750,700	204,309	688,527	594,756	10,738,292
Disposal	-	(60,518)	-	-	-	(60,518)
At 31 March	8,500,000	1,432,794	446,494	842,873	596,726	11,818,887
Accumulated depreciation						
At 1 April	-	730,238	116,099	43,743	591	890,671
Charge for the year	-	162,509	44,650	20,062	16,983	244,204
Disposal	-	(60,517)	-	-	-	(60,517)
At 31 March	-	832,230	160,749	63,805	17,574	1,074,358
Net book value at 31 March	8,500,000	600,564	285,745	779,068	579,152	10,744,529
2001						
Net book value at 31 March	-	12,374	126,086	110,603	1,379	250,442
Depreciation charge for the year	-	24,744	24,218	15,434	197	64,593

The leasehold land and building of the Company was not depreciated during the financial year as the acquisition of the property was only completed towards the end of the financial year.

The net book value of the properties of the Group charged to licensed banks for banking facilities granted to the Group is as follows:

	2002 RM	2001 RM
Freehold land and buildings	102,600,007	105,575,444
Long leasehold land and buildings	8,740,517	8,946,478
	111,340,524	114,521,922

The net book value of certain property, plant and equipment of the Group and the Company acquired under hire purchase and finance lease is as follows:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Motor vehicles	1,624,636	55,672	600,560	-
Machinery and equipment	1,519,376	1,201,135	-	-
	3,144,012	1,256,807	600,560	-

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

3. SUBSIDIARY COMPANIES

	2002 RM	2001 RM
Unquoted shares, at cost	202,894,471	148,366,088
	==========	==========

The amount owing by/to the subsidiary companies represents unsecured advances which are interest free and have no fixed terms of repayment.

The subsidiary companies, all of which are incorporated in Malaysia are as follows:

	Group equity interest 2002 %	Group equity interest 2001 %	Principal activities
Subsidiaries of the Company			
The Store Holdings Sdn Bhd	100.0	100.0	Operation of department store and supermarket and investment holding
The Store (Kelantan) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Terengganu) Sdn Bhd	100.0	100.0	Investment holding
Taiping Supermarket Holdings Sdn Bhd	100.0	100.0	Property and investment holding
Gold Shopping Centre Holdings Sdn Bhd	100.0	100.0	Investment holding
Summit Superstore Holdings Sdn Bhd	100.0	100.0	Investment holding
The Store Properties Sdn Bhd	100.0	100.0	Property investment holding
The Store (Malaysia) Sdn Bhd (formerly known as The Store (Bukit Mertajam) Sdn Bhd)	100.0	100.0	Operation of department store and supermarket
The Store (Kemaman) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Plaza BM) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Seremban) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Pudu) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Kluang) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Muar) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Mentakab) Sdn Bhd	100.0	100.0	Operation of department stores and supermarket
TS Universal Trading Sdn Bhd	100.0	100.0	Importer and distribution of souvenirs and trading in clothing and generals goods
The Store (Taman Tun Aminah) Sdn Bhd	100.0	100.0	Operation of department store and supermarket

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group equity interest 2002 %	Group equity interest 2001 %	Principal activities
Subsidiaries of the Company			
The Store (Klang) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Central Square) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Kampar Road) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Kuantan Parade) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Yangtze Corporation Sdn Bhd	85.8	80.8	Wholesaling of household and general goods
*Pacific Hypermarket Group Sdn Bhd	100.0	100.0	Investment holding
The Store (Bentong) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Subang) Sdn Bhd	100.0	100.0	Operation of department store and supermarket - ceased operation during the financial year
The Store (Port Dickson) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Bukit Pasir) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Kangar) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Visual Utama Sdn Bhd	100.0	100.0	Investment holding
The Store (Darul Naim) Sdn Bhd (formerly known as Naim Jaya Hypermart (M) Sdn Bhd)	100.0	-	Operation of department store and supermarket
Delsinar Sdn Bhd	100.0	-	Investment holding
Nilai Hikmat Sdn Bhd	100.0	-	Investment holding
Subsidiary companies of The Store Holdings Sdn Bhd			
The Store (Malacca) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Batu Pahat) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Johore Bahru) Sdn Bhd	100.0	100.0	Investment holding
Tanjung Segi Sdn Bhd	100.0	100.0	Property investment holding
Formyarn Sdn Bhd	67.0	67.0	Manufacturing, wholesaling and trading in garments and underclothings
Murai Perdana Sdn Bhd	100.0	100.0	Investment holding

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group equity interest 2002 %	Group equity interest 2001 %	Principal activities
Subsidiary company of The Store (Kelantan) Sdn Bhd			
The Store (Sungai Petani) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary company of The Store (Terengganu) Sdn Bhd			
The Store (Pusat K.T.) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary companies of Taiping Supermarket Holdings Sdn Bhd			
Taiping Corporation Sdn Bhd	100.0	100.0	Property and investment holding
The Store (Taiping) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary company of Gold Shopping Centre Holdings Sdn Bhd			
The Store (NS) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary companies of Summit Superstore Holdings Sdn Bhd			
Arglye Sdn Bhd	100.0	100.0	Inactive
The Store (Summit Parade) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary companies of Pacific Hypermarket Group Sdn Bhd			
* Pacific Hypermarket Properties Sdn Bhd	100.0	100.0	Property investment
* Bigever Properties Sdn Bhd	100.0	100.0	Property investment
* Pacific Hypermarket & Departmental Store Sdn Bhd	100.0	90.0	Investment holding and operation of department store and hypermarket
Subsidiary company of The Store (Johore Bahru) Sdn Bhd			
The Store (Johor Jaya) Sdn Bhd	100.0	100.0	Operation of department store and supermarket

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group equity interest 2002 %	Group equity interest 2001 %	Principal activities
Subsidiary company of Murai Perdana Sdn Bhd			
Cotler Sdn Bhd	92.2	72.0	Trading in clothing and general goods
Subsidiary companies of The Store (Sungai Petani) Sdn Bhd			
The Store (Kota Bahru) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Shah Alam) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary company of Taiping Corporation Sdn Bhd			
The Store (Taiping Jaya) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary company of The Store (Taiping) Sdn Bhd			
The Store (Tampin) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary companies of The Store (NS) Sdn Bhd			
The Store (Taman Kok Lian) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
The Store (Kulim) Sdn Bhd	100.0	100.0	Operation of department store and supermarket
Subsidiary companies of Pacific Hypermarket & Departmental Store Sdn Bhd			
* Pacific Hypermarket Sdn Bhd	100.0	100.0	Dormant
* Pacific Department Store Sdn Bhd	100.0	100.0	Dormant
* Pacific Hypermarket (Prai) Sdn Bhd	100.0	100.0	Dormant
* Pacific Department Store (Prai) Sdn Bhd	100.0	100.0	Dormant

** Subsidiary companies not audited by Moores Rowland.*

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

4. ASSOCIATED COMPANY

	Group 2002 RM	Group 2001 RM
Unquoted shares, at cost	16,114,434	-
Group's shares of post-acquisition results and reserves	-	-
	16,114,434	-

Represented by:

	2002 RM	2001 RM
Attributable share of net assets of associated company	16,114,434	-

The associated company is Larut Matang Supermarket Holdings Bhd, a company incorporated in Malaysia, in which the Group holds 45.3% of the issued and paid-up share capital. The principal activities of the associated company are property and investment holdings and provision of management services. The associated company is held through Delsinar Sdn Bhd and Nilai Hikmat Sdn Bhd.

5. OTHER INVESTMENTS

	Group 2002 RM	Group 2001 RM
Shares quoted in Malaysia, at cost	4,200	4,200
Unquoted shares, at cost	2,329,269	2,329,269
	2,333,469	2,333,469
Market value - quoted shares	3,220	3,160

6. GOODWILL ON ACQUISITION

	Group 2002 RM	Group 2001 RM
At 1 April	5,991,462	3,682,226
Additions during the year	9,817,632	2,828,607
	15,809,094	6,510,833
Less:		
Amortisation during the year	1,017,128	519,371
At 31 March	14,791,966	5,991,462

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

7. INVENTORIES

	Group 2002 RM	Group 2001 RM
Inventories stated at cost comprise:		
Trading inventories	133,238,774	125,647,757
Raw materials	172,927	561,850
	133,411,701	126,209,607

8. TRADE AND OTHER RECEIVABLES

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Gross trade receivables	2,114,841	2,680,475	-	-
Less: Allowance for doubtful debts	141,242	123,887	-	-
	1,973,599	2,556,588	-	-
Other receivables, deposits and prepayments	40,728,032	47,983,835	10,993,115	16,854,830
	42,701,631	50,540,423	10,993,115	16,854,830

9. TIME DEPOSITS

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Time deposits are placed				
- with licensed banks	2,968,770	16,515,293	875,000	3,388,961
- with licensed finance companies	-	1,513,962	-	1,513,962
	2,968,770	18,029,255	875,000	4,902,923

Time deposits amounting to RM2,233,634 (2001 : RM2,078,469) and RM875,000 (2001 : RM875,000) of the Group and the Company respectively are pledged to licensed banks for banking facilities granted to the Group and the Company.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

10. TRADE AND OTHER PAYABLE

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
Trade payables	202,419,320	194,602,313	-	-
Other payables and accruals	27,992,429	20,827,310	8,796,569	188,343
Hire purchase liabilities (Note 14)	292,761	62,615	101,995	-
Finance lease liabilities (Note 14)	703,312	521,795	-	-
	231,407,822	216,014,033	8,898,564	188,343

11. BANK BORROWINGS

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
Bankers acceptance				
- secured	2,793,000	-	-	-
- unsecured	39,000	-	-	-
Trust receipts, unsecured	-	1,153,676	-	-
Bank overdrafts				
- secured	16,531,751	1,420,120	-	-
- unsecured	1,022,591	900,103	-	-
Current portion of bank term loans (Note 14)	18,513,569	18,526,901	10,500,000	10,500,000
	38,899,911	22,000,800	10,500,000	10,500,000

The bank borrowings of the subsidiary companies bear interests at 1.75% to 2.0% (2001 : 1.75% to 2.0%) per annum above the base lending rate. The bankers acceptance and the bank overdraft of a subsidiary company are secured by legal charges over certain freehold properties and a debenture incorporating a fixed and floating charge on all the assets of the said subsidiary company. All bank borrowings are guaranteed by the Company.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

12. SHARE CAPITAL

	Group 2002 RM	Group 2001 RM
Authorised		
88,000,000 ordinary shares of RM1 each	88,000,000	88,000,000
	=========	=========
Issued and fully paid		
62,276,002 ordinary shares of RM1 each	62,276,002	62,276,002
	=========	=========

13. DISCOUNT ON ACQUISITION

	Group 2002 RM	Group 2001 RM
At 1 April	17,892,238	17,691,279
Arising from acquisition of additional shares in a subsidiary company	256,939	200,959
	--------------	--------------
	18,149,177	17,892,238
Less:		
Amortisation during the year	1,806,727	-
	--------------	--------------
At 31 March	16,342,450	17,892,238
	=========	=========

14. LONG TERM LIABILITIES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Hire purchase liabilities				
Outstanding hire purchase instalments due:				
- not later than one year	378,344	82,945	142,428	-
- later than one year and not later than five years	1,190,995	18,730	492,024	-
	-------------	-------------	-----------	-------------
	1,569,339	101,675	634,452	-
Less:				
Unexpired term charges	282,377	24,789	102,254	-
	-------------	-------------	-----------	-------------
Outstanding principal amount due	1,286,962	76,886	532,198	-
Less:				
Outstanding principal amount due not later than one year (Note 10)	292,761	62,615	101,995	-
Outstanding principal amount due later than one year and not later than five years	994,201	14,271	430,203	-

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Finance lease liabilities				
Outstanding finance lease rental due:				
- not later than one year	794,080	570,117	-	-
- later than one year and not later than five years	458,040	744,832	-	-
	1,252,120	1,314,949	-	-
Less: Unexpired term charges	101,695	135,799	-	-
Outstanding principal amount due	1,150,425	1,179,150	-	-
Less: Outstanding principal amount due not later than one year (Note 10)	703,312	521,795	-	-
Outstanding principal amount due later than one year and not later than five years	447,113	657,355	-	-
Bank term loans				
Bank term loan bearing interest at 2% (2001 : 2%) per annum above base lending rate, repayable by 9 equal quarterly instalments commencing January 2001	10,500,000	24,500,000	10,500,000	24,500,000
Bank term loan bearing interest at 2% (2001 : 2%) per annum above base lending rate, repayable by 10 quarterly instalments commencing December 2000	8,000,000	16,000,000	-	-
Bank term loan under Al-Naqad facility bearing a fixed interest of RM20,834 per month until full settlement, repayable in a lump sum at the end of fifth year from November 2001	2,500,000	-	-	-
Bank term loans bearing interest at 1.75% (2001 : 1.75%) per annum above base lending rate, repayable by 120 monthly instalments commencing January 1993 and June 1994	29,055	60,943	-	-
	21,029,055	40,560,943	10,500,000	24,500,000
Less: Repayments due within 12 months (Note 11)	18,513,569	18,526,901	10,500,000	10,500,000
Repayments due after 12 months	2,515,486	22,034,042	-	14,000,000
	3,956,800	22,705,668	430,203	14,000,000

The bank term loan of the Company is secured by legal charges over certain freehold properties of a subsidiary company and time deposit of RM875,000 of the Company.

The bank term loans of certain subsidiary companies are secured by legal charges over certain freehold and leasehold properties and time deposits of the subsidiary companies.

The bank term loan under Al-Naqad facility of a subsidiary company is secured by a fixed and floating charge over the subsidiary company's assets and is also guaranteed by the holding company.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

15. DEFERRED TAX LIABILITIES

	Group 2002 RM	Group 2001 RM
At 1 April	4,903,100	4,698,000
Underestimated in prior years	74,610	276,000
	4,977,710	4,974,000
Transfer from/(to) income statement	341,000	(70,900)
At 31 March	5,318,710	4,903,100

The deferred tax liabilities comprise:

	Group 2002 RM	Group 2001 RM
Deferred tax liabilities on timing differences between net book value and tax written down value of property, plant and equipment	5,797,900	5,034,100
Deferred tax assets arising from recognition of unabsorbed capital allowances and unutilised tax losses	(479,190)	(131,000)
	5,318,710	4,903,100

All material timing differences have been accounted for by the Group and the Company.

Subject to agreement with the Inland Revenue Board, the Group and the Company have potential deferred tax benefits, the effects of which are not included in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefits to be realised.

Details of potential deferred tax benefits not accounted for in the financial statements are as follows:

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Unutilised tax losses	11,605,000	12,023,000	-	-
Unabsorbed capital allowances	3,880,000	5,855,000	276,000	163,000
Timing differences between net book value and tax written down value of property, plant and equipment	(1,386,000)	(1,936,000)	(116,000)	(27,000)
	14,099,000	15,942,000	160,000	136,000

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

16. GROSS REVENUE

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Sale of goods net of discounts	1,224,829,067	1,161,651,901	-	-
Concessionary rental income	1,115,573	1,547,564	-	-
Concessionary commission	552,520	653,586	-	-
Dividend income	-	-	22,739,000	17,232,000
Management fees	-	-	-	330,000
Rental income from properties	54,300	46,400	-	-
Interest income	47,395	2,181	-	-
	1,226,598,855	1,163,901,632	22,739,000	17,562,000

17. COST OF SALES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Cost of goods sold	1,028,783,528	983,948,929	-	-
Direct operating costs relating to rental income from properties	42,677	36,938	-	-
	1,028,826,205	983,985,867	-	-

18. PROFIT BEFORE TAX

	Group		Company	
Profit before tax is stated after charging:	2002 RM	2001 RM	2002 RM	2001 RM
Amortisation of goodwill	1,017,128	519,371	-	-
Auditors' remuneration				
- current year	545,400	519,300	35,000	33,000
- under/(over) estimated in prior year	16,000	(1,000)	2,000	-
Allowance for doubtful debts	51,526	58,139	-	-
Bad debts written off	27,856	12,145	-	-
Depreciation	19,707,622	19,065,485	244,204	64,593
Directors' remuneration				
- fees	725,000	338,000	121,000	117,000
- overestimated in prior year	-	(56,000)	-	-
- other emoluments	1,851,497	2,612,263	1,329,750	507,857
Finance costs				
- hire purchase and finance lease term charges	209,269	41,849	50,625	-
- interest expenses	3,659,366	3,832,456	1,691,912	1,350,322
Inventories written down	79,382	82,103	-	-
Property, plant and equipment written off	1,453,522	50,183	-	-
Rental of premises	32,725,825	31,186,713	162,007	148,018

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group		Company	
	2002	**2001**	**2002**	**2001**
and crediting:	**RM**	**RM**	**RM**	**RM**
Amortisation of discount on acquisition	1,806,727	-	-	-
Gross dividends from subsidiary companies	-	-	22,739,000	17,232,000
Gain on disposal of property, plant and equipment	247,307	44,604	-	19,999
Interest income	189,641	1,058,164	26,396	214,783
Rental income	4,052,782	5,083,724	-	-
	=========	========	=========	=========

19. TAX EXPENSE

	Group		Company	
	2002	**2001**	**2002**	**2001**
Current tax expense	**RM**	**RM**	**RM**	**RM**
- current year	8,240,723	10,465,325	5,320,000	4,330,000
- overestimated in prior years	(51,323)	(222,047)	-	-
	--------------	--------------	--------------	-------------
	8,189,400	10,243,278	5,320,000	4,330,000
Deferred tax expense/(income)				
- current year	341,000	(70,900)	-	-
- underestimated in prior years	74,610	276,000	-	-
	415,610	205,100	-	-
	--------------	--------------	--------------	-------------
	8,605,010	10,448,378	5,320,000	4,330,000
	========	=========	========	========

The effective tax rate of the Group and the Company is high compared to the statutory rate because certain expenses have been disallowed in arriving at their respective taxable income and also of the non-availability of Group relief for tax losses incurred by certain subsidiary companies.

Based on estimated tax credits available and the prevailing tax rate applicable to dividends, the entire unappropriated profit of the Company is available for distribution by way of dividends without incurring additional tax liability.

20. EARNINGS PER SHARE

Earnings per share is calculated based on Group profit after tax and minority interests of RM16,467,304 (2001 : RM13,179,311) and on 62,276,002 (2001 : 62,276,002) shares in issue during the financial year.

21. PRIOR YEAR ADJUSTMENT

The prior year adjustment in the previous financial year was in respect of change in accounting policy for the treatment of expenditure carried forward. Expenditure carried forward representing preliminary and pre-operating expenses which were incurred since the date of incorporation of the subsidiary companies to the date of commencement of operations were written off to the income statement as and when incurred, instead of being deferred and amortised over a period of 5 years.

The change in accounting policy has been accounted for retrospectively.

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

Comparative information has been restated to conform with these changes. The effects of the changes on the Group financial statements were as follow:

	As previously reported RM	Effect of change in accounting policy on the Group RM	As restated RM
Unappropriated profit at 1 April 2000	73,310,525	(130,055)	73,180,470
	========	========	========

22. ANALYSIS OF ACQUISITION OF SUBSIDIARY COMPANIES

During the financial year, the Company acquired three new subsidiary companies as follows:

The Store (Darul Naim) Sdn Bhd
(formerly known as Naim Jaya Hypermart (M) Sdn Bhd)
Delsinar Sdn Bhd
Nilai Hikmat Sdn Bhd

The effects of acquisition of subsidiary companies in the current financial year on the consolidated net profit, the consolidated financial position and the consolidated cash flow statement are as follows:

(a) Effect on consolidated net profit:

	RM
Gross revenue	5,437,224
	=========
Cost of sales	4,624,510
	=========
Loss before tax	(200,278)
Tax expense	-

Decrease in Group's net profit	(200,278)
	=========

(b) Effect on consolidated financial position:

	RM
Property, plant and equipment	2,239,343
Associated company	16,114,434
Inventories	4,724,366
Receivables	494,473
Cash and bank balances	256,844
Payables	(7,822,384)

Increase in Group's share of net assets	16,007,076
	=========

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

(c) Effect on consolidated cash flow statement:

	RM
Net assets acquired:	
Property, plant and equipment	2,239,343
Associated company	16,114,434
Inventories	4,724,366
Receivables	494,473
Cash and bank balances	256,844
Payables	(7,822,384)
Goodwill on acquisition	9,410,807
Total purchase consideration	25,417,883
Less:	
Cash and cash equivalents acquired	256,844
Net cash flows on acquisition	25,161,039

23. EMPLOYEES INFORMATION

	Group		Company	
	2002	2001	2002	2001
Staff costs	RM65,425,145	RM57,982,741	RM1,815,008	RM1,087,824
Number of employees at year end	4,795	4,891	83	22

24. RELATED PARTY TRANSACTIONS

The Company has a controlling related party relationship with its subsidiary companies.

Transactions with related parties during the financial year are as follows:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Management fees from the following subsidiary companies:				
- The Store Holdings Sdn Bhd	-	-	-	30,000
- The Store (Batu Pahat) Sdn Bhd	-	-	-	30,000
- The Store (Johor Jaya) Sdn Bhd	-	-	-	30,000
- The Store (Kota Bahru) Sdn Bhd	-	-	-	30,000
- The Store (Kelantan) Sdn Bhd	-	-	-	30,000
- The Store (NS) Sdn Bhd	-	-	-	30,000

Notes To And Forming Part of The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
- The Store (Pusat K.T.) Sdn Bhd	-	-	-	30,000
- The Store (Seremban) Sdn Bhd	-	-	-	30,000
- The Store (Taman Kok Lian) Sdn Bhd	-	-	-	30,000
- The Store (Taman Tun Aminah) Sdn Bhd	-	-	-	30,000
- The Store (Taiping Jaya) Sdn Bhd	-	-	-	30,000
	=======	=======	=======	=======

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

25. CAPITAL COMMITMENT

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Approved capital expenditure contracted but not provided for in the financial statements	1,200,000	240,000	960,000	-
	========	=======	=======	=======

26. CONTINGENT LIABILITIES

	Group 2002 RM	Group 2001 RM	Company 2002 RM	Company 2001 RM
Unsecured corporate guarantees in respect of banking and other credit facilities granted to subsidiary companies	-	-	71,700,000	47,300,000
	=======	=======	=========	=========

27. SEGMENT ANALYSIS

No segment analysis is prepared as the Group is primarily engaged in retail operations in Malaysia.

Statement of Directors And Statutory Declaration

PURSUANT TO SECTION 169(15) & SECTION 169(16) OF THE COMPANIES ACT, 1965

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 35 to 60 are drawn up:

(a) so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 March 2002 and of their results and cash flows for the year then ended; and

(b) in accordance with applicable approved accounting standards.

On behalf of the Directors

TANG YEAM SOON
Director

CHANG YEN HUEI
Director

Kuala Lumpur
30 July 2002

STATUTORY DECLARATION

I, Chang Yen Huei, being the director primarily responsible for the financial management of The Store Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 60 are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
)
)
)
)
this 30 day of July 2002.) CHANG YEN HUEI

Before me:

Commissioner for Oaths

List of Properties

Registered Owner/Location	Description / Existing Use	Approx. age of buildings (Years)	Tenure (years of expiry)	Land Area (Built-up area)	Date of Acquisition (A) / Valuation (V)	NBV YE2002 RM'000
The Store Holdings Sdn.Bhd. HS(D) 12086 & 12087 PTD 2484 & 2485 Mukim Bandar Penggaram Batu Pahat, Johor. 46, 46A, 46B, 48, 48A & 48B Jalan Megat, Batu Pahat	3 storey shophouse / godown	10	Freehold	3738 sq. ft. (9,240 sq. ft.)	2-2-1993 (A)	484
Tanjung Segi Sdn.Bhd. Lot No. 336, 197, 200, 198, 201, 196, 199 Bandar KB VIII, Melaka	Vacant Land	-	Leasehold 99 years (13.1.2091)	95,104 sq. ft.	14-1-1992(A)	7,787
The Store (Malacca) Sdn.Bhd. Lot No. 338, Town Area VII 238A, 3rd Floor, Taman Melaka Raya, Melaka No. A3/W-1 to W4	4 units of apartment / staff hostel	7	Freehold	3,400 sq. ft.	3-6-1993 (A)	218
The Store (Sg. Petani) Sdn.Bhd. Lot 117, 118, 139, 143, 144, 1331 and 1332 Central District of Province Wellesley	Vacant Land	-	Freehold	234,945 sq. ft	28-9-1987 (A)	207
The Store (Sg. Petani) Sdn.Bhd. Lot 0048, Section 46 Pajakan Negeri 393 Bandar Sungei Petani 43, Kompleks Seri Temin Jalan Ibrahim, Sungei Petani	4 storey shophouse/ staff hostel	16	Leasehold 99 years (2.10.2080)	1,400 sq. ft. (5,300 sq. ft.)	22-7-1992 (A)	306
The Store (Malaysia) Sdn. Bhd. *(f.k.a The Store (Bukit Mertajam) Sdn Bhd)* Lot 710 Section 4 Town of Bukit Mertajam Province Wellesley Centre	2 storey pre-war shophouse / rented to third parties	69	Leasehold 999 years (5.2.2930)	9,502 sq. ft. (19,000 sq. ft.)	23-2-1976 (A)	237
The Store (Terengganu) Sdn.Bhd. Grant 3719, Lot 976 & Grant 3720, Lot 977 Bandar Kuala Terengganu	Vacant land	-	Freehold	49,080 sq. ft.	18-4-1992 (A)	1,758
The Store (Terengganu) Sdn.Bhd. Grant 9989, Lot 3643 Kuala Terengganu	Vacant Land	-	Freehold	915 sq. ft.	1-4-1993 (A)	94
Taiping Supermarket Holdings Sdn.Bhd. Theatre Road, Lot 1987-1990 67-75, Theatre Road, Jalan Panggung Wayang, Taiping	4 storey shophouse complex / business operation	24	Freehold	6,859 sq. ft. (24,130 sq. ft.)	24-6-1982 (A)	2,730
Taiping Corporation Sdn.Bhd. Lot 70, 71 & 72 in Mukim of Tampin Tengah, 49-51, Jalan Besar Tampin	4 storey shophouse complex / business operation	21	Freehold	7,200 sq. ft. (24,130 sq. ft.)	6-3-1981 (A)	949
Taiping Corporation Sdn.Bhd. Lot 6619, Mukim Azauri Kumbar, Taiping	Vacant Land	-	Leasehold 999 years (19.11.2895)	6,767 sq. ft.	-1983- (A)	243

List of Properties

Registered Owner/Location	Description / Existing Use	Approx. age of buildings (Years)	Tenure (years of expiry)	Land Area (Built-up area)	Date of Acquisition (A) / Valuation (V)	NBV YE2002 RM'000
Taiping Corporation Sdn.Bhd. Lot 2951 & 2952 Town of Taiping 31 & 32, Jalan Convent, Taiping	2 storey linkhouse / godown and hostel	17	Leasehold 99 years (13.11.2080)	3,522 sq. ft. (4,044 sq. ft.)	- 1983 -(A)	207
The Store Properties Sdn.Bhd. Plot No. A4 & A5, Section 5 Taman Sri Jaya Forming part of Lot No. 1-29 Town of Bukit Mertajam	3 storey shophouse /rented to third parties	22	Freehold	2,800 sq. ft. (8,400 sq. ft.)	17-8-1994 (A)	571
The Store Properties Sdn.Bhd. HS(D) 9730 & 9731 PT No. 7227 & 7228. Bandar Mentakab, Temerloh, Pahang	2 units of 3 storey shophouse / staff hostel and rental	7	Freehold	3,200 sq. ft. (9,400 sq. ft.)	13-3-1997 (A)	592
The Store Holdings Sdn.Bhd. HS(D) 55098 & 55099 NPT 4 & 5, Sek 91A & 91B Town of Kuala Lumpur	1 unit apartment / rented to third parties	7	Freehold	959 sq. ft.	4-4-1991 (A)	83
Formyarn Sdn.Bhd. No. 150, Lot 25168 Batu 7 3/4, Jalan Kepong, Kuala Lumpur	2 storey shophouse / office and factory	26	Leasehold 99 years (9.8.2075)	1,195 sq. ft.	23-12-1993 (A)	174
Formyarn Sdn. Bhd. No.152, Lot 25169 Batu 7 3/4, Jalan Kepong, Kuala Lumpur	2 storey shophouse / office and factory	26	Leasehold 99 years (9.8.2075)	1,195 sq. ft.	21-10-1992 (A)	236
Pacific Hypermarket Properties Sdn.Bhd. No.1497, Jalan Nangka,Taman Semarak 14000 Bukit Mertajam	Double storey Shophouse / Vacant	8	Freehold	3,417 sq. ft. (9,240 sq. ft.)	25-02-1998(A)	414
Bigever Properties Sdn.Bhd. Parcel G888 & 1888, Ground & First Floor Megamal, Jalan Baru Prai, Mukim 1, Province Wellesley Central, Penang	5 storey shophouse complex / business operation	5	Freehold	110,934 sq. ft.	10-1-1998 (A)	34,685
Pacific Hypermarket Properties Sdn.Bhd. Parcel B888, Basement Floor, Megamal, Jalan Baru Prai, Mukim 1, Province Wellesley Central, Penang	5 storey shophouse complex / business operation	5	Freehold	198,706 sq. ft.	10-1-1998 (A)	62,520
Yangtze Corporation Sdn.Bhd. Lot No.11 Block 2 Type B, Kepong Light Industry Mukim Batu, District & State of Wilayah	$1^1/_2$ storey terrace factory /business operation	2	Freehold	4,200 sq. ft.	29-2-2000 (A)	583
The Store Corporation Bhd. Q.T. (R) 6366 L.O. Lot 9A, Jalan 223, Petaling Jaya, Selangor	Industrial Land with a double-storey office cum warehouse	–	Leasehold 99 years (28.4.2071)	65,340 sq ft (32,000 sq ft)	2-11-2001 (A)	8,500

Analysis Of Shareholdings

AS AT 12 AUGUST 2002

Authorised Capital	: RM88,000,000
Issued & Paid-Up Capital	: RM62,276,002
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 12 AUGUST 2002

Holdings	No. of Holders	%	Total Holdings	%
less than 1000 shares	24	0.86	8,272	0.01
1,000 to 10,000	2,560	91.96	5,917,973	9.50
10,001 to 100,000	149	5.35	5,344,965	8.58
100,001 to less than 5% of issued shares	48	1.73	39,437,792	63.33
5% and above of issued shares	3	0.10	11,567,000	18.58
TOTAL	2,784	100.00	62,276,002	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 12 AUGUST 2002

	Name of Substantial Shareholders	No. of Shares	%
1.	Tang Yeam Soon (direct and deemed)	17,543,000	28.17
2.	Equatorial Century Sdn Bhd (direct)	13,548,000	21.75
3.	Khor Guik Lee (direct and deemed)	17,543,000	28.17
4.	Tan Sri Dato' Seri Tan Chee Yioun (deemed)	6,095,000	9.79
5.	Berjaya VTCY Sdn Bhd (direct)	3,577,000	5.74

DIRECTORS' SHAREHOLDING AS AT 12 AUGUST 2002

	Direct Interest	%	Deemed interest	%
Mr Tang Yeam Soon	2,753,000	4.42	14,790,000	23.75
Mr Kam Teh Chung	320,869	0.52	-	-
Mr Chang Yen Huei	1,000	0.00	2,400,000	3.85
Dato' Dr Haji Kardin bin Haji Shukor	10,000	0.02	-	-

List of Thirty Largest Shareholders

AS AT 12 AUGUST 2002

	Name of Substantial Shareholders	No. of Shares	%
1.	U.B. Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Equatorial Century Sdn Bhd	4,000,000	6.42
2.	KAF Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Equatorial Century Sdn Bhd	3,990,000	6.40
3.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Berjaya VTCY Sdn Bhd	3,577,000	5.74
4.	HDM Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Amlied Holdings Sdn Bhd	2,900,000	4.66
5.	Surplus-ED Capital Sdn Bhd	2,773,000	4.45
6.	MIDF Sisma Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Equatorial Century Sdn Bhd	2,645,000	4.25
7.	Berjaya General Insurance Berhad	2,418,000	3.88
8.	MIDF Sisma Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Advance Ultimate Sdn Bhd	2,400,000	3.85
9.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities acc for BBC Capital Sdn Bhd	2,018,000	3.24
10.	EB Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Equatorial Century Sdn Bhd	2,000,000	3.21
11.	Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Tang Yeam Soon	1,840,000	2.96
12.	Cartaban Nominees (Asing) Sdn Bhd - Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	1,500,000	2.41
13.	Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Nusraya Holdings Sdn Bhd	1,248,000	2.00
14.	Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Khor Guet Lin	1,243,000	2.00
15.	HDM Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Perspektif Bakti Sdn Bhd	1,236,000	1.98
16.	HDM Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Pan Prosperity Holdings Sdn Bhd	1,225,000	1.97

List of Thirty Largest Shareholders

AS AT 12 AUGUST 2002

	Name of Substantial Shareholders	No. of Shares	%
17.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Azam Spektrum Sdn Bhd	1,224,000	1.97
18.	Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Khor Guik Lee	1,209,000	1.94
19.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Pancaran Kurnia Sdn Bhd	1,181,000	1.90
20.	Yap Yan Chuan	1,026,937	1.65
21.	Southern Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Equatorial Century Sdn Bhd	877,000	1.41
22.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd - Pledged securities acc for SJ Securities Sdn Bhd	876,000	1.41
23.	Southern Nominees (Tempatan) Sdn Bhd -Pledged securities acc for Tang Yeam Soon	723,000	1.16
24.	Tan Soi Chew	650,607	1.05
25.	Employees Provident Fund	494,000	0.79
26.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities acc for SJ Securities Sdn Bhd	450,000	0.72
27.	Wong Yee Choo	442,000	0.71
28.	Yeap Hoi Aik	417,624	0.67
29.	Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for SJ Securities Sdn Bhd	400,000	0.64
30.	Hong Leong Finance Bhd -Pledged securities acc for Surinder Singh A/L Wassan Singh	345,000	0.55
		47,329,168	75.99

P R O X Y   F O R M

THE STORE CORPORATION BERHAD
(Incorporated In Malaysia)
252670-P

No. of Ordinary Shares Held:

I/We ______________________________ NRIC No/Company no: ____________________

of ____

being a member/members of THE STORE CORPORATION BERHAD (252670-P), hereby appoint ______________

____

of ____

or failing him/her, the Chairman of the Meeting, to vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held at Ballroom 1, Level 2, Park Plaza International Hotel Kuala Lumpur on Friday, 27 September 2002 at 10.00 a.m or at any adjournment thereof, and to vote as indicated below :

Please indicate with an 'X' in the space below how you wish your votes to be cast. (If you do not do so, your Proxy will vote or abstain from voting at his/her discretion).

	RESOLUTION	FOR	AGAINST
1.	Adoption of Audited Financial Statements		
2.	First and Final Dividend		
3.	Directors' Fees		
4.	Re-election of Mohd Qari bin Ahmad		
5.	Re-election of Yeoh Chong Keng		
6.	Re-election of Lim Gin Chuan		
7.	Re-election of Chang Yen Huei		
8.	Re-election of Dato' Haji Mohd Yusoff bin Haji Amin under Section 129 (6) of the Companies Act, 1965		
9.	To re-appoint Moores Rowland		
10.	Authority under Section 132D of the Companies Act, 1965		

As witness my/our hand(s) this __________ day of ______________ 2002.

____
Signature/common seal of Member

Notes:

1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead.
2) A proxy need not be a member of the Company.
3) If the appointer is a Corporation, the form must be under its Common Seal or under the hand of an officer or attorney duly authorized.

FIRST FOLD

Stamp

The Company Secretary

THE STORE CORPORATION BERHAD

Wisma Selangor Dredging,
6th Floor, South Block, 142-A, Jalan Ampang,
50450 Kuala Lumpur

SECOND FOLD

LARGEST & OLDEST

EXISTING SUPERMARKET CUM DEPARTMENTAL CHAIN IN MALAYSIA
AS CERTIFIED BY THE MALAYSIA BOOK OF RECORDS YEAR 2001

THE STORE CORPORATION BERHAD