

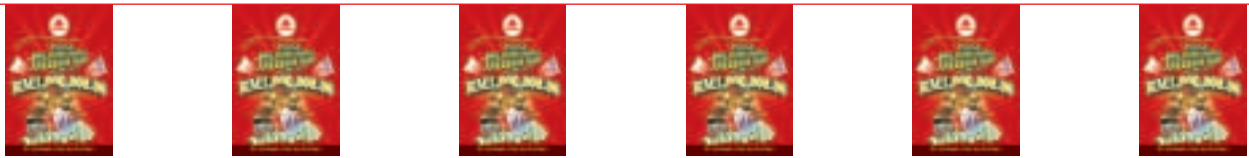
A N N U A L  
R E P O R T  
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## The Year That Was ...

Each year, The Store has never ceased to organise various fresh, fun and rewarding promotional activities and charitable events for the benefit of its customers and the Malaysian society. With the continuous innovative efforts of its staff, The Store has yet again succeeded in giving customers a very exciting year. Some of the more memorable highlights of the past year's activities and events include:

### **The Store Festive Million Ringgit Treasure Hunt**

**8 NOVEMBER 2002 - 16 FEBRUARY 2003**



In conjunction with the rare opportunity of celebrating three festive seasons; Hari Raya, Christmas and Chinese New Year; consecutively, The Store organised the Festive Million Ringgit Treasure Hunt. With its attractive cash, jewelry and instant treasures worth over RM1 million, the contest received overwhelming response from over 1 million participants.

By the end of the campaign, the Grand Prize of RM100,000.00 and other cash prizes of RM30,000.00 and RM15,000.00 (2 sets) were won by 4 very lucky customers!



### **The Store Festive Charity**

**1 JANUARY 2003 - 31 MARCH 2003**



In the midst of the joyous occasion of the Chinese New Year, a time of celebration and happiness, The Store did not neglect the less fortunate. The Store Festive Charity was launched with the purpose of collecting donations for the National Cancer Council (MAKNA).

During the 3-month period, charitable proceeds poured in generously from caring customers for the National Cancer Council (MAKNA). The collection has contributed towards providing hope for cancer patients in terms of access to proper medical treatment.





## **The Store 35th Anniversary Celebrations Grand Reward**

**30 MAY 2003 - 1 SEPTEMBER 2003**



For its 35th anniversary, The Store 35th Anniversary Celebrations Grand Rewards was launched on May 30, 2003. The campaign celebrates The Store Group's 35th anniversary with many exciting sales and promotional activities which offer a variety of quality and affordable products to reward The Store's loyal customers.

A total of 35 big prizes will be up for grabs at the end of this campaign. 10 Grand Prizes, Kancil 660EX and 25 First Prizes, Comel Storm 125cc motorcycles were offered as rewards to The Store's customers for their loyal and continuous support through the years.

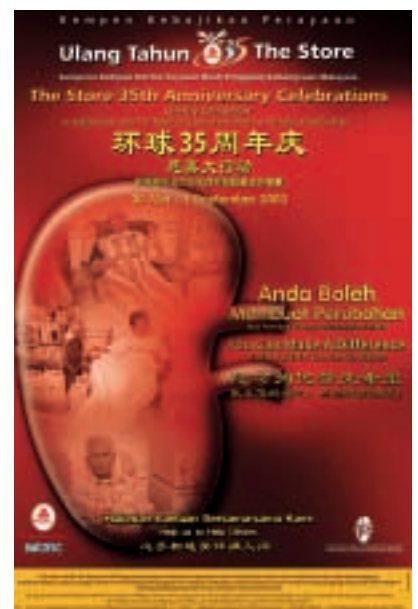


## **The Store 35th Anniversary Celebrations Charity Campaign**

**30 MAY 2003 - 1 SEPTEMBER 2003**

Through the years, The Store has always been an enthusiastic champion for charitable causes. This time around, in conjunction with its 35th anniversary, The Store launched The Store 35th Anniversary Celebrations Charity Campaign, a joint Charity Drive with the National Kidney Foundation of Malaysia.

To encourage more people to make donations, The Store launched a series of Charity Road Shows. Famous local artistes were at hand to entertain the shoppers as well as to lobby for more donations. Proceeds collected will contribute positively towards improving the medical services and treatment available to patients attached with the National Kidney Foundation of Malaysia.





MOVING AHEAD WITH

# INNOVATION

TECHNOLOGY



The Store has always adopted a bold and innovative strategy to adapt the latest innovation in retailing technology to continuously provide its customers with the best in retail products and services. In March 2003, The Store embarked on a project to implement the Total Enterprise Retail Management System (TERMS), jointly provided by NEC Malaysia Sdn. Bhd., Oracle Corporation Sdn. Bhd. and Solsis (Malaysia) Sdn. Bhd.



In terms of benefit to its customers, TERMS consists of the Point of Sales Systems (POS) and a Loyalty Card System. POS will allow greater efficiency in customer service with faster check-out time and higher accuracy and convenience for price enquiry. The Loyalty Card System will efficiently manage the loyalty reward programme for The Store Card members.



With these benefits in tow, The Store plans to achieve a higher level of customer service which will provide its customers with an exceptional and pleasurable shopping experience.





## THE STORE CARD, Sincerely Rewarding Its Customers

Continuously rewarding and satisfying its customer's needs has always been the Customer Relationship Management philosophy of The Store.

With this passion and motivation, The Store Card Loyalty Programme is designed with the main fundamental purpose of rewarding customers as they shop.



### The Store Card members are in for a package deal of 5 benefits designed exclusively for them.

- An abundance of The Store Card's Reward Points which can be redeemed for attractive gifts.
- Exclusive invitations to promotional events and sales previews.
- A personal insurance coverage of up to RM15,000.00 for each member.
- Each member will also receive The Store Card newsletter packed with information on the latest trends and happenings.
- There are plenty of wonderful and exciting gifts for members during special promotional events.

As at June 27, 2003, The Store has successfully launched The Store Card Loyalty Programme at all of its 35 outlets.



# N O T I C E O F ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Prince 7 & 8, Prince Hotel & Residence Kuala Lumpur, Jalan Conlay, 50450 Kuala Lumpur on Friday, 26 September 2003 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 2003 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 2003. Resolution 2
3. To approve the payment of Directors' Fees of RM133,000 for the financial year ended 31 March 2003. Resolution 3
4. To re-elect the following Directors who retire in accordance with the provisions of the Company's Articles of Association :
  - a) Dato' Dr. Haji Kardin bin Haji Shukor Resolution 4
  - b) Md Kamal Bin Bilal Resolution 5
  - c) Ishak Bin Yusuf Resolution 6
  - d) Datin Khor Guik Lee 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



# N O T I C E O F C L O S U R E O F B O O K S

NOTICE IS ALSO HEREBY GIVEN that the first and final dividend of 6% per share less tax at 28% in respect of the financial year ended 31 March 2003, if approved, will be paid on 12 December 2003 to shareholders registered on the Company's Register of Members and/or Record of Depositors as at the close of business on 14 November 2003.

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

- a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 14 November 2003 in respect of 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

3 September 2003

## 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 must 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 Listing Requirements of the Kuala Lumpur Stock Exchange

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

The Directors retiring pursuant to Article 99:-

- a) Dato' Dr. Haji Kardin bin Haji Shukor
- b) Md Kamal Bin Bilal
- c) Ishak Bin Yusuf

The Director retiring pursuant to Article 104:-

- a) Datin Khor Guik Lee

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

- a) Dato' Haji Mohd Yusoff Bin Haji Amin

Please refer to their profile on Page 15 to 18 of this Annual Report.

## 2. Details of Attendance of Directors at board meetings

There were four board meetings held during the financial year ended 31 March 2003. 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. Dato' Dr. Tang Yeam Soon	4/4
3. Kam Teh Chung	4/4
4. Chang Yen Huei	4/4
5. Dato' Dr. Haji Kardin bin Haji Shukor	4/4
6. Dato' Haji Mohd Yusoff bin Haji Amin	4/4
7. Ishak bin Yusuf	2/4
8. Yeoh Chong Keng	4/4
9. Lim Gin Chuan	4/4
10. Datin Khor Guik Lee (appointed on 27/02/2003)	1/4

## 3. The place, date and hour of the Eleventh Annual General Meeting

Place : Prince 7 & 8, Prince Hotel & Residence Kuala Lumpur, Jalan Conlay, 50450 Kuala Lumpur.

Date & Time : 26 September 2003 at 10.00 a.m.



# C O R P O R A T E I N F O R M A T I O N

## Board Of Directors

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

Dato' Dr. Tang Yeam Soon  
(Managing Director)

Kam Teh Chung  
(Executive Director)

Chang Yen Huei  
(Executive Director)

Datin Khor Guik Lee  
(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)

Yeoh Chong Keng  
(Independent Non-Executive Director)

Lim Gin Chuan  
(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)

Yeoh Chong Keng  
(Independent Non-Executive Director)

Lim Gin Chuan  
(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)

Lim Gin Chuan  
(Independent Non-Executive Director)

## Auditors

Moores Rowland  
Chartered Accountants

## Principal Banker

Malayan Banking Berhad  
EON Bank Berhad

## Stock Exchange Listing

Main Board of the  
Kuala Lumpur Stock Exchange  
(3 March 1994)

## Domicile

Malaysia

## Principal Place of Business

Lot 9A, Jalan 223,  
Petaling Jaya  
46100 Selangor Darul Ehsan  
Tel : 603-7960 3233  
Fax: 603-7960 3299

## Company Secretaries

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

## Website Address

www.tstore.com.my  
email: thestore@tstore.com.my

## Registered Office

Wisma Selangor Dredging  
6th Floor, South Block,  
142-A Jalan Ampang,  
50450 Kuala Lumpur.  
Tel : 603-2161 5466  
Fax: 603-2163 6968

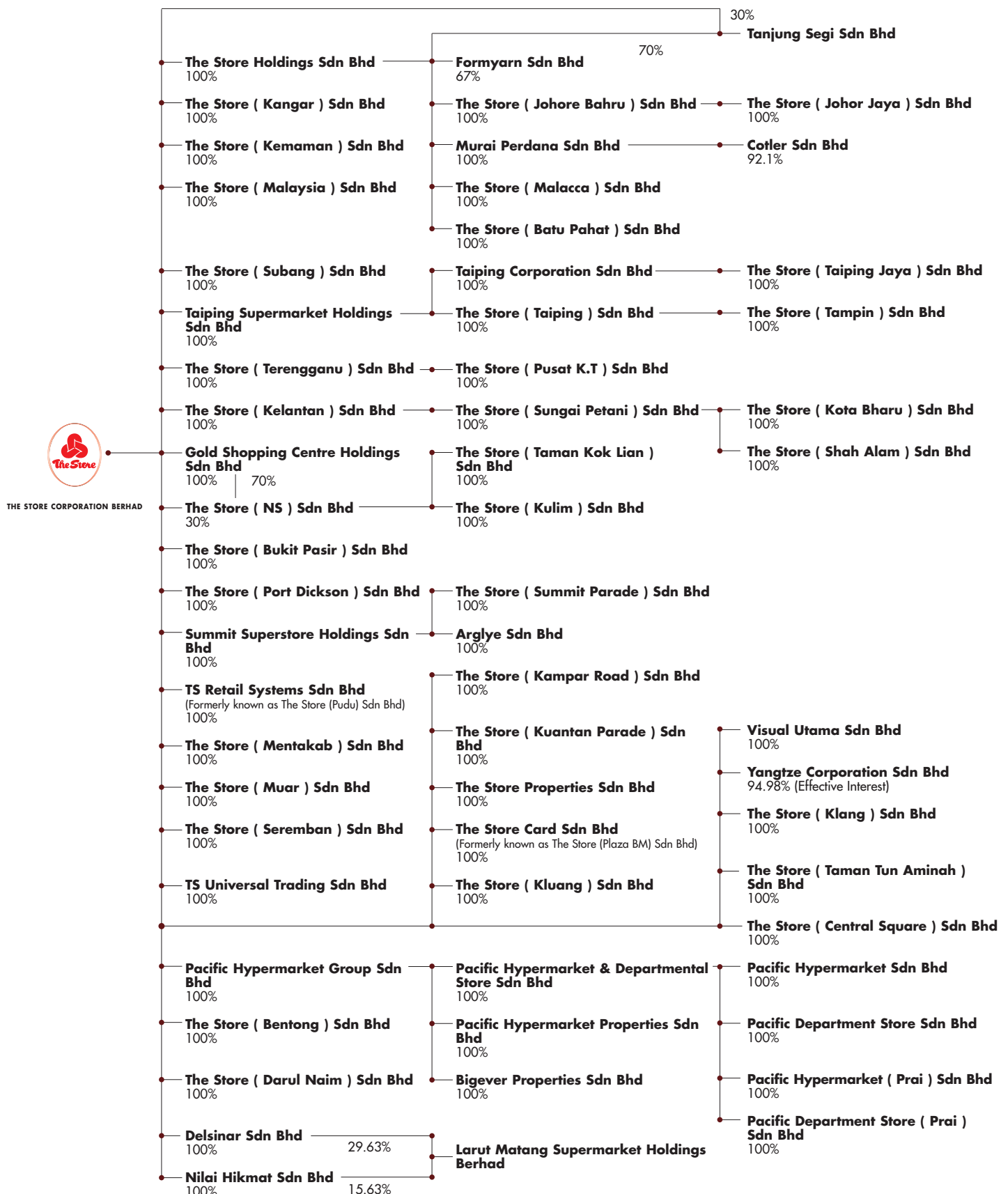
## Registrar

Systems & Securities Sdn Bhd,  
Wisma Selangor Dredging,  
6th Floor, South Block,  
142-A, Jalan Ampang,  
50450 Kuala Lumpur.  
Tel : 603-2161 5466  
Fax: 603-2163 6968

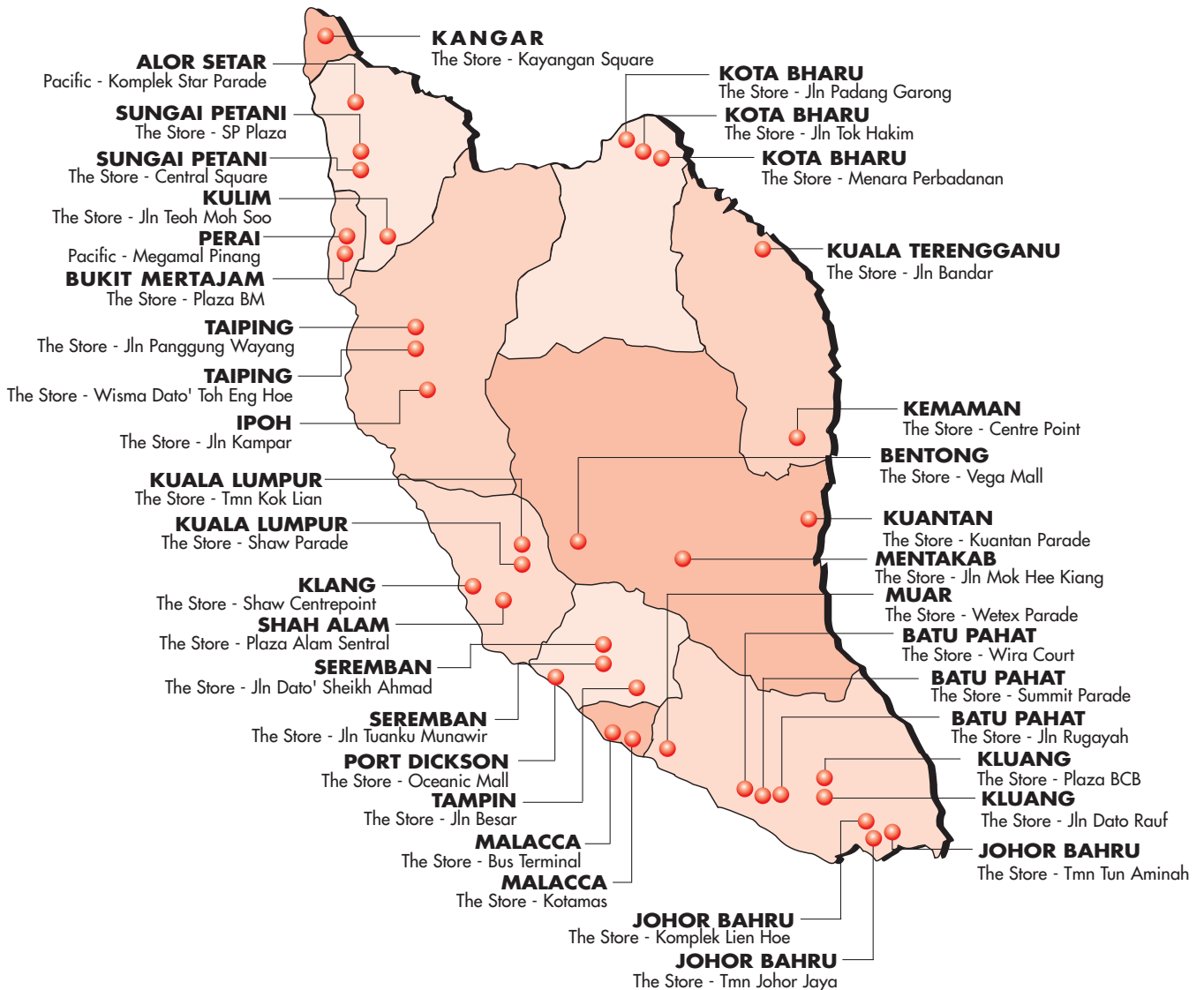
## Legal Form and Place of Incorporation

A public company incorporated in  
Malaysia under the Companies Act,  
1965 and limited by shares

# C O R P O R A T E S T R U C T U R E

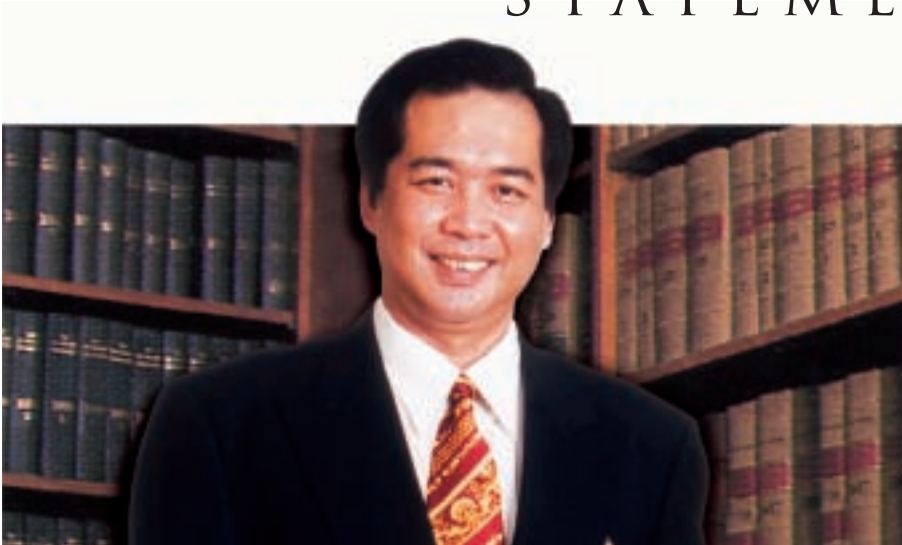


# LOCATION OF OUTLETS





# C H A I R M A N ' S S T A T E M E N T



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

On behalf of the Board of Directors, I am pleased to present the Company's Annual Report and the Audited Accounts for the financial year ended 31 March 2003.

## **Financial Performance**

During the financial year under review, the Group recorded a significant improvement of 34.1% for its profit before tax, rising from RM 25.0 million in the previous year to RM 33.6 million this year. Earnings per share has also increased from 26.4 sen to 33.5 sen this financial year. The profit increase is mainly attributable to an overall improvement in profit margin and strict control over costs.

Group revenue was down by 7.2% at RM1.13 billion compared to RM1.22 billion in the previous year due to the Group's renewed focus on margin improvement strategy. In line with our objective of enhancing shareholders' value, the Group's shareholders' funds rose to RM180 million compared to RM162 million last year.

## **Dividend**

The Company's dividend policy aims to reward shareholders for their continued support and also allows them to participate in the profit of the Group, whilst ensuring that adequate reserves remain to meet its financial obligations and to fund future growth that will ultimately enhance value for all shareholders.

The Board is therefore pleased to recommend a first and final dividend of 6% less 28% income tax amounting to RM2,690,323 (2002: RM2,690,323) for the financial year ended 31 March 2003 for the shareholders' approval at the forthcoming Eleventh Annual General Meeting.

## **Operation Review**

Being a dynamic organisation that has always progressed with time, The Store is undergoing a continuing programme to renovate, refurbish and upgrade its existing outlets to promote a fresh outlook consistent with the Group's vision for its existing outlets. In line with its objective of keeping ahead of its competition, the outlets will be made not only more functional in relation to its customers' logistical requirements, but also more aesthetically pleasing and attractive as shopping destinations. The exercise is expected to provide an impetus to the growth of all outlets. The improvements to the existing outlets are expected to include upgrades to the management information system as well as information technology infrastructure and hardware.

# C H A I R M A N ' S S T A T E M E N T

The Store has embarked on a computer system namely Total Enterprise Retail Management System ("TERMS"), a fully integrated system which consists of the merchandising system, financial system, point of sales system, loyalty card system and business intelligence. With the TERMS, proper streamlining of information and centralized management can be achieved. Undoubtedly, this collaboration process will engender higher operational effectiveness and efficiency. This will not only benefit customers with shorter service time and better inventory management, but also consolidate the supplier network relationship via more effective communication and supply chain management.

During the year, we have successfully launched our The Store Card throughout all The Store's 35 outlets. With "The Store Card" Point Rewards Programme, we can better serve our customers and provide further value-added benefits through greater rewards and privileges. Our current members are offered rebates, gift redemptions, pre-sale previews, promotional events, mailers, personal insurance coverages, free newsletters, and other benefits. The Store Card also enables the Company to identify the spending habits of its customers thereby assisting in customizing its marketing programmes. The Company continues to develop additional benefits for cardholders.

## Corporate Development

On 16 April 2003, the Securities Commission approved the Company's Commercial Paper and Medium Term Note Programme, to issue up to an aggregate nominal value of RM200 million. The Programme will mature seven years from the date of the first issuance and is intended to finance the Group's working capital requirements, refinance the Group's borrowings and to finance capital expenditure for setting up new branches/outlets, investment in similar businesses as well as renovation works/upgrading costs on existing outlets. The Company made its first issuance in July 2003.

The Company has also proposed to implement a bonus issue of one (1) new share for every ten (10) existing shares to increase the capital base of the Company to a level which better reflect the scale of its operations and to reward shareholders for their continued support. The proposed bonus issue is subject to shareholders' approval at the forthcoming Extraordinary General Meeting.

## Achievements

During the year under review, The Store was awarded the Superbrands status by the Malaysian Superbrands Council, which is made up of some of the most eminent media and communications executives in Malaysia, based on strict selection criteria. With this recognition, The Store is identified as a brand name of high prestige within Superbrands 2003/2004 publication, and is evidence of its widespread appeal amongst the Malaysian public as a local leading operator of supermarkets cum departmental chains. In 2003, The Store was also awarded a certificate of excellence by our Minister of Domestic Trade and Consumer Affairs, YB. Tan Sri Muhyiddin bin Hj. Mohd.Yassin for its successful listing in *Malaysia 1000*, which is a directory of the top 1000 performing companies in Malaysia. The Store has also continued to be recognised by the Malaysia Book of Records as the largest and oldest existing supermarket cum departmental chain in Malaysia since its first entry in the year 2001. The Store was further acknowledged as one of the Top 75 Listed Companies in terms of shareholder value creation in the KPMG/The Edge Shareholder Value Awards List as published in The Edge Malaysia August 18-24, 2003 issue. This will further enhance and consolidate The Store's profile and image as one of the leaders in the retail industry.

## Directorate

On behalf of the Board, we are pleased to welcome Datin Khor Guik Lee who has been appointed to the Board on 27 February 2003. We trust that Datin Khor's experience and knowledge will contribute towards the growth and progress of the Group.

# C H A I R M A N ' S S T A T E M E N T

## **Corporate Citizenship**

Subscribing to the philosophy that the enterprise and the community are inseparable, in the year under review, the Company continued to be involved in various charitable projects for the benefits of the community. At the beginning of the year, The Store Festive Charity was launched with the purpose of collecting donations for the National Cancer Council (MAKNA). The Store has launched The Store 35th Anniversary Celebrations Charity Campaign, a joint charity drive with the National Kidney Foundation of Malaysia with the mission to provide financial aid to improve medical services and treatment for kidney patients.

## **Prospects**

The Malaysian economy has been boosted by the economic stimulus package announced this year. Certain measures to increase customer spending has further strengthened the existing sales promotions and Mega Sale Carnivals held thrice yearly. Efforts by the government and the retail sector to promote Malaysia as a shopping haven are underway.

The Group recognises that global economic conditions remain challenging and the local retail industry will be competitive with the expansion of both local and foreign retailers. The Store is confident of sustained improvement in its financial results as it will continuously upgrade its outlets, develop its marketing plans and promotional strategies in order to achieve its business target.

## **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, as their efforts have contributed towards the commendable 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 2003



# D I R E C T O R S ' P R O F I L E



**Md Kamal bin Bilal** (Chairman) Malaysian, aged 41, 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 sector, serving as a Community Development Officer in the Ministry of National & Rural Development for 7 years and as a Supervisor in the parliamentary field till to date. His business experience includes being an automobile dealer for Penang State. 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.

**Dato' Dr. Tang Yeam Soon, D.S.N.S., PhD** (Managing Director), Malaysian, aged 44, was appointed to the Board on 21 February 2001 as Executive Director and co-opted as Group Managing Director on 23 November 2001.

Dato' Tang has more than 20 years of experience in the business sector, particularly in the retail industry. He founded his first company at the age of 20, and held the position of Managing Director. Under his leadership, the company was listed on the KLSE Second Board 13 years later. Thereafter, he founded Pacific Hypermarket & Departmental Store Sdn Bhd and held the position of Managing Director before forging his career with The Store Group.



Under his strategic leadership, The Store Group was certified as the Largest & Oldest Existing Supermarket cum Departmental Chain in Malaysia by The Malaysia Book of Records in 2001 and in continuous succession in 2002 and 2003. Subsequently, The Store was awarded the Superbrands status by the Malaysia Superbrands Council 2003/2004. The Store was also successfully listed in *Malaysia 1000* in 2003, which is a directory of the top 1000 performing companies in Malaysia. His valuable contribution to the retail industry is further extended through his appointment as the Council Member of the Malaysia Retailers Association (MRA). Hence, his conferment of a Doctorate of Philosophy (PhD) in Business Administration (Honoris Causa) by Honolulu University, Hawaii, is indeed a true acknowledgement and recognition of his invaluable contribution to the development of the country's retail industry.

As Group Managing Director, Dato' Tang is mainly responsible for setting and reviewing the operation strategic 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.

Dato' Tang is the spouse of Datin Khor Guik Lee who is a director and also a major shareholder of The Store Corporation Berhad. 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.



# D I R E C T O R S ' P R O F I L E



**Kam Teh Chung** (Executive Director) Malaysian, aged 54 is an Executive Director who was re-appointed to the Board on 31 May 2001 and is 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. He has the experience and knowledge in the supermarket and department store industry for more than 20 years. 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.

**Chang Yen Huei** (Executive Director) Malaysian, aged 39, was appointed to the Board on 2 November 2001 as Executive Director and is currently holding the position of Group Finance Director and appointed as a member of the Audit Committee on 23 November 2001.

He is a fellow of Chartered Association of Certified Accountants, UK and a member of the Malaysian Institute of Accountant. He has gained a valuable 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 the Accountant of MCL Corporation Berhad for 3 years before joining Pacific Hypermarket Group Sdn Bhd (PHG) as a Group Accountant in 1996. He was subsequently promoted to Group Financial Controller of PHG and further appointed as Group Financial Controller of The Store Corporation Berhad in February 2001. In the same year, he was promoted to 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.



**Datin Khor Guik Lee** (Executive Director) Malaysian, aged 42, was appointed to the Board on 27 February 2003 as Executive Director. She has more than 20 years of experience in the retail industry. With her spouse, Dato' Tang Yeam Soon, they formed a company in which she held the position of Executive Director and the company was subsequently listed on the KLSE Second Board 13 years later. Thereafter, she joined Pacific Hypermarket and Departmental Store Sdn Bhd as an Executive Director. As a board member of Pacific, she participated actively and constructively in all the board deliberations towards the future growth and direction of Pacific group. Presently, she also sits on the board of several private companies. She does not hold any other directorship on any public companies.

She is the spouse of Dato' Dr. Tang Yeam Soon who is a director and a major shareholder of The Store Corporation Bhd. Save as disclosed, she 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. She has not been convicted for any offences within the past 10 years.

# D I R E C T O R S ' P R O F I L E



**Dato' Dr. Haji Kardin bin Haji Shukor, SMJ., AMN., PIS., JSM.,** (Independent Non-Executive Director) Malaysian, aged 64, is an Independent and Non-Executive Director who was appointed to the Board on 13 December 1993 and 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 dedicated to his work in animal husbandry for which 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 Kuala Pilah district before furthering his studies at the University of Queensland in 1965.

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

**Dato' Haji Mohd Yusoff bin Haji Amin, SMS., PJK., JP.** (Independent Non-Executive Director) Malaysian, aged 73, 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 notable 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 has 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 directors 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 Datas 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 Berhad or any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past 10 years.

# D I R E C T O R S ' P R O F I L E



**Yeoh Chong Keng** (Independent Non-Executive Director) Malaysian, aged 51, 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 the Nomination Committee on 30 July 2001 and as a member of the Remuneration Committee on 27 February 2003.

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. Currently, he is a director of Asia Life (M) 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.

**Ishak bin Yusuf** (Independent Non-Executive Director) Malaysian, aged 59, is an Independent and Non-Executive Director who was appointed to the Board on 31 January 2000. He was also appointed as a member of the 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 Directors of several private limited companies which are mainly involved in property development and construction. He was also a councillor with The Majlis Perbandaran Seberang Perai from 1991 – 1998. He does not hold any other directorship 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.



**Lim Gin Chuan** (Independent Non-Executive Director) Malaysian, aged 40, is an 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 and as member of the Nomination Committee on 27 February 2003.

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 until the present date, he has been a partner in the legal firm. His main areas of expertise are in the field of conveyancing, banking and company law. His firm serves as the 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.

# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

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

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

The Board of Directors 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 propriety 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 Directors of The Store Corporation Berhad takes full responsibility for the strategic direction and performance of the Group and focuses mainly on the following areas:-

- Reviewing strategic plans for the Group
- Developing investor relation programme on shareholder communication policy of the Group
- Evaluating and overseeing the Group's business
- Reviewing the adequacy and the integrity of the Group's internal control systems and Management Information System
- Maintaining high standards of ethics and corporate behaviour

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 policies 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 overseeing the day-to-day operations and implementation of the policies and decisions.

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 of the roles of the Chairman and Managing Director.



# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

## **(ii) Composition**

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
- 3 Executive Directors
- 5 Independent & Non-Executive Directors

The present composition of the Board complies with the KLSE requirement for at least two directors or one-third of the Board, whichever is the higher number, to be independent directors.

In the opinion of the Board, the number of members is sufficient and fairly reflects the investment in the Company by shareholders other than the largest shareholders. The Board, having reviewed its size and composition, is also satisfied that it is effective for the proper functioning of the Board.

The Directors are from diverse professional backgrounds with a wide range of expertise in the fields of political science, management, administration, law, finance and accounting and together they bring a balance of skills and a wealth of experience to effectively lead and control the Company.

The profile of all the directors are set out on pages 15 to 18 of this Annual Report.

## **(iii) Board Meeting**

The Board meets at least four times a year, with additional meetings convened when necessary.

During the year ended 31 March 2003, four Board meetings were held. Attendance detail for each director is stated on page 8 of this Annual Report.

## **(iv) Supply of Information**

The Chairman, assisted by the Executive Management and the Company Secretaries, is responsible for organising the Board meeting agenda and full set of board papers for each agenda item to be discussed. The agenda and board papers are disseminated in advance to facilitate informed decision-making process and all the directors are entitled to request for additional clarification and information to assist them in matters that require their decision.

All the directors have access to the advices and services of the Company Secretaries and also to take independent professional advices at the Company's expense, in order to fulfill their duties and specific responsibilities, if so required.

At the Board meetings, other management staff may be invited to attend meetings for any particular matter or issue within their purview and/or responsibility. As and when required, auditors, solicitors and other advisers may also be required to attend the Board meetings to give the Board a clearer understanding of a particular matter/issue.

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

In the intervals between Board meetings, any matters requiring Board decisions, Board approvals are obtained through circular resolutions.

# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

## (v) Re-election of Directors

After incorporating the amended articles as per Listing Requirements of the KLSE, the Articles of Association of the Company provide for the following in respect of the re-election of directors:

- a) One-third of the directors, including the Managing Director shall retire from office and be eligible for re-election at each Annual General Meeting;
- b) All the directors shall retire from office once at least in each three (3) years but shall be eligible for re-election; and
- c) All Directors who are appointed during the year will be subject to retirement and re-election by shareholders at the Annual General Meeting following their appointment.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

## (vi) Directors Training

All the directors, except for Datin Khor Guik Lee, who was appointed on 27 February 2003, have duly completed the Mandatory Accreditation Programme organised by Research Institute of Investment Analysis Malaysia, an affiliate company of the KLSE. Datin Khor Guik Lee has been granted an extension of time up to October 2003 by the KLSE to comply with this requirement.

Besides complying with the requirements as set out under Practice Note 15 to complete the Continuing Education Programme ("CEP") within the stipulated time frames, the Directors always undergo other relevant training programmes to keep them abreast with the developments in relevant laws, regulations and the business environment.

## (vii) 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 28 of this Annual Report.

# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

## b) Remuneration Committee

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

~ Dato' Dr. Haji Kardin bin Hj Shukor (Independent & Non-Executive Director)	-	Chairman
~ Mr. Yeoh Chong Keng (appointed on 27 February 2003) (Independent & Non-Executive Director)	-	Member
~ Mr. Lim Gin Chuan (Independent & Non-Executive Director)	-	Member

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

## c) Nomination Committee

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

~ Dato' Haji Mohd Yusoff bin Haji Amin (Independent & Non-Executive Director)	-	Chairman
~ Mr. Yeoh Chong Keng (Independent & Non-Executive Director)	-	Member
~ Mr. Lim Gin Chuan (appointed on 27 February 2003) (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 as well as to review the required mix of skills, experience, other competencies and recommend to the Board accordingly. The Board will implement the process which is to be carried out by the Nomination Committee, for assessing the effectiveness of the individual directors and the Board as a whole.

During the financial year, the Nomination Committee had identified and recommended the appointment of a new executive director, Datin Khor Guik Lee for the Board's approval.

The Company Secretary is responsible for ensuring that appointments are properly made and all necessary information is obtained from the directors in compliance with the requirements of the Companies Act, 1965, Listing Requirements of the Kuala Lumpur Stock Exchange, Security Industry Act, 1983 and the regulatory requirements.

# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

## B. DIRECTORS' REMUNERATION

The Company's Remuneration scheme for Executive Directors is linked to performance, seniority, experience and scope of responsibility and is reviewed periodically having regard to market/industry standards. For Non-Executive Directors, the level of remuneration reflects the responsibilities undertaken by them. All the Directors are paid a fixed fee, except for the Chairman who is paid a higher fee in recognition of his additional responsibilities.

The Remuneration Committee recommends to the Board the directors' fee for each Director of the Company and which is subject to the approval of the shareholders. Reasonable expenses in the course of carrying out their duties or attending seminars are reimbursed by the Company. The members of the Audit Committee are paid a fixed fee.

The details of the remuneration of the Directors of the Company for the financial year ended 31 March 2003 are as follows:-

	<b>Executive (RM)</b>	<b>Non-Executive (RM)</b>	<b>Total (RM)</b>
Fees	481,000	132,000	613,000
Salaries	1,129,000	-	1,129,000
Allowance & other emoluments	5,000	175,000	180,000
	-----	-----	-----
	1,615,000	307,000	1,922,000
	=====	=====	=====

The number of Directors in each remuneration band for the financial year ended 31 March 2003 is as follows:-

<b>Range of Remuneration</b>	<b>Number of Directors</b>		
	<b>Executive</b>	<b>Non-Executive</b>	<b>Total</b>
Below RM 50,000	-	6	6
RM 50,000 – RM100,000	-	1	1
RM200,000 – RM250,000	1	-	1
RM300,000 – RM350,000	1	-	1
RM400,000 – RM450,000	1	-	1
RM650,000 – RM700,000	1	-	1

\* One executive director was appointed during the financial year.

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

## C. SHAREHOLDERS

### (i) Relationship with Shareholders

The Group recognises the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information including the distribution of annual reports and relevant circulars to shareholders, issuance of press releases, announcement of the quarterly financial results of the Company to KLSE as well as holding press conferences as and when necessary.

The Group has established a website ([www.tstore.com.my](http://www.tstore.com.my)) to enable the public and shareholders to access information on the performance, activities undertaken as well as achievements of the Group.

# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

## **(ii) Shareholders' Meeting**

The Annual General Meeting and Extraordinary General Meeting are major opportunities for individual shareholders and investors to seek clarifications on the operations, financial performance and major developments of the Group.

Notice of the Annual General Meeting and Annual Report are sent out to shareholders at least 21 days before the date of the relevant meeting. In addition, Notices of General Meetings are published in one national newspaper to provide for wider dissemination of such notices to encourage shareholder participation.

For re-election of Directors, the Board ensures that full information is disclosed through notice of meetings regarding Directors who are retiring and who are willing to serve if re-elected. Items of special business included in the notice of the meeting will be accompanied by an explanatory statement to facilitate fuller understanding and evaluation of the issues involved.

During the meeting, the Chairman and Board members respond to all queries and undertake to provide sufficient clarification on issues and concerns raised by the shareholders. The external auditors are also present to provide their professional and independent clarification on issues and concerns raised by the shareholders.

## **D. ACCOUNTABILITY AND AUDIT**

### **(i) Financial Reporting**

The Board is responsible in ensuring that accurate announcements of the Group's quarterly and financial statements are made on a timely basis. The Board also approves the quarterly and annual financial statements before they are released to the KLSE.

The Board had ensured that the financial statements present a balanced and understandable assessment of the Company and Group's position and prospects.

### **(ii) Relationship with the Auditors**

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

The role of the auditors during the year is stated in the Audit Committee's report on pages 28 to 31 of this Annual Report.

### **(iii) Internal Control**

The Internal Control Statement for the Group is set out in pages 26 to 27 of this Annual Report.

### **(iv) Statement of Directors' Responsibility**

The Board of Directors is required under Paragraph 15.27 (a) of the Listing Requirements of the Kuala Lumpur Stock Exchange to issue a statement explaining its 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.



# S T A T E M E N T O F CORPORATE GOVERNANCE

Pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange

The Directors consider that, in preparing the financial statements of The Store Corporation Bhd for the financial year ended 31 March 2003, 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.

## 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 RM36,000.00.

### 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 was 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.

# I N T E R N A L C O N T R O L S T A T E M E N T

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investments and Group's Assets while taking any other appropriate initiatives as and when necessary or required, to further strengthen the transparency, accountability and efficiency of the Group's operations.

## 1) THE BOARD'S RESPONSIBILITY

The Board has established an on-going process for identifying, evaluating and managing the significant risks encountered by the Group, which encompass key areas on financial, operational, compliance and risk management functions and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

## 2) THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board has established on-going process for identifying, evaluating and managing the significant risks encountered by the Group. The Board through its Audit Committee regularly reviews this process. The Audit Committee assists the Board to review the adequacy and integrity of the system of internal controls in the Group, which encompass key areas on financial, operational, compliance and risk management functions and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

The key elements of the Group's internal control system are:

1. Clear organisational structure with formally defined lines of responsibility and delegation of duty and authority. This structure acts as a control mechanism in terms of lines of reporting and accountability.
2. Clearly defined financial limits of authority on all financial commitments for each level of management within the Group.
3. An internal audit function which reviews key risk areas and controls and assists the Audit Committee in the discharge of its duties and responsibilities. Its role is to provide independent and objective reports on the system of internal controls of the Group's business activities and issues relating to compliance with Group policies.
4. Documented internal operating policies and procedures, which are periodically reviewed, to provide guide-lines in compliance with Group objectives.
5. Comprehensive budgeting and costing process for all operating units with monthly monitoring of performances so that any material variances can be followed up and addressed by management.
6. Regular senior management meetings are conducted to deliberate and decide upon operational matters as well as to gauge the effectiveness of strategies implemented.
7. Regular management visits of its operating business units to ensure all business activities, operational issues and matters are brought to the prompt attention of the management for further action to be taken.

# I N T E R N A L C O N T R O L S T A T E M E N T

## 3) INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function undertakes reviews of internal controls in all key activities of the Group in assuring its adequacy and integrity. The internal auditors advise management on areas for improvement and subsequently review the extent to which the management's responses and the remedial actions on all findings and recommendations in its review process have been implemented. During the year under review, the internal auditors conducted various audit assignments which include the review of operational and compliance controls, management efficiency, risk assessment and reliability of financial records.

## 4) CONCLUSION

The Board is satisfied that, during the year under review, the system of internal control being instituted throughout the Group is sound and effective. Notwithstanding this, the system of internal control will continue to be reviewed, enhanced or updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the internal auditors.

# A U D I T C O M M I T T E E R E P O R T

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 2003.

The Audit Committee comprises 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 is chaired by Dato' Dr. Haji Kardin bin Haji Shukor and comprises four members with more than one-third being independent directors and Mr Chang Yen Huei was appointed on 23 November 2001, being a member of the Malaysian Institute of Accountants, 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 Listing Requirements of the KLSE 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 shall be reviewed by the Board not less than once every three years.
- c) The Committee shall consist of not less than three members, the majority of which shall be Independent Non-Executive Directors.  
The word "Independent" shall be the same as defined in the Listing Requirements of the 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.

# A U D I T C O M M I T T E E R E P O R T

Pursuant to paragraph 7.0 of the KLSE's Practice Note No. 13/2002 and with effect from 1 January 2003, it is prescribed that the following qualifications are also acceptable:-

- i) A degree/master/doctorate in Accounting or Finance and at least 3 years' post qualification experience in Accounting or Finance; or
  - ii) At least 7 years experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- 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 the 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



# A U D I T C O M M I T T E E R E P O R T

- \*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.
- 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, the Committee shall meet with the external auditors at least once a year.
- b) Any two members of the Committee present at the meeting shall constitute a quorum which must be made up of 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.

# A U D I T C O M M I T T E E R E P O R T

## 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 opened 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 activities during the financial year under review:

- i) Reviewed the unaudited quarterly financial results and year end financial statement of the Group prior to the approval by the Board, focusing particularly on :
  - a) any significant and unusual events;
  - b) any significant adjustments arising from the audit ;
  - c) going concern assumption; and
  - d) compliance with Listing Requirements of the KLSE, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements, accounting standards and other requirements.
- ii) Reviewed the external auditors' scope of work and audit plan for the Group for financial year 2003. Prior to the audit, representative from the external auditors presented their audit strategy and plan.
- iii) Reviewed the Annual Report prior to submission to the Board for their consideration and approval. The review was to ensure that it complies with the provisions of Companies Act, 1965, Listing Requirements of the KLSE and other regulatory requirements.

## D) Attendance of the Audit Committee Meeting

There were four Audit Committee meetings held for the financial year ended 31 March 2003 and the attendance record of each member is as follows:

<u>Audit Committee Members</u>	<u>Number of meeting attended</u>
Dato' Dr. Haji Kardin bin Haji Shukor	4/4
Dato' Haji Mohd Yusoff bin Haji Amin	4/4
Ishak bin Yusuf	2/4
Chang Yen Huei	4/4

## 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 has also been conducted with regard to various specific areas of concern and high risk areas.

F I N A N C I A L  
S T A T E M E N T S  
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

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# D I R E C T O R ' S R E P O R T

F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

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 2003.

## 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 4 to the financial statements.

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

## RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit after tax	20,765	15,873
Minority interests	131	-
	-----	-----
Net profit for the year	20,896	15,873
	=====	=====

## 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 2002 as disclosed in the directors' report of that year.

- First and final dividend of 6% less 28% tax paid on 19 December 2002	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.

## 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.

D I R E C T O R ' S  
R E P O R T  
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

## **DIRECTORS**

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

En Md. Kamal bin Bilal

Dato' Dr. 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

Mr Kam Teh Chung

Mr Chang Yen Huei

Datin Khor Guik Lee (appointed on 27-2-2003)

En Mohd Qari bin Ahmad (retired on 27-9-2002)

In accordance with the Company's Articles of Association, Datin Khor Guik Lee 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 En Md. Kamal bin Bilal, Dato' Dr. Hj. Kardin bin Hj. Shukor and En Ishak bin Yusuf 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.



# D I R E C T O R ' S R E P O R T

F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

## DIRECTORS' INTERESTS IN SHARES

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

----- Number of ordinary shares of RM1 each -----

	At 1-4-2002/ Date of appointment	Bought	Sold	At 31-3-2003
Dato' Dr. Tang Yeam Soon				
- direct interest	2,753,000	-	-	2,753,000
- deemed interest	13,548,000	1,242,000	-	14,790,000
Dato' Dr. Hj. Kardin bin Hj. Shukor				
- direct interest	10,000	-	-	10,000
- deemed interest	-	-	-	-
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
Datin Khor Guik Lee				
- direct interest	1,242,000	-	-	1,242,000
- deemed interest	16,301,000	-	-	16,301,000

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.

D I R E C T O R ' S  
R E P O R T  
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

## **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 there were no known bad debts but 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.

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

- (i) which would render it necessary to write off any debt or the amount of the allowance for doubtful debts in the financial statements of the Company and of the Group 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.

D I R E C T O R ' S  
R E P O R T  
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

- (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

DATO' DR. TANG YEAM SOON  
Director

CHANG YEN HUEI  
Director

29 July 2003

R E P O R T O F T H E  
A U D I T O R S  
T O T H E M E M B E R S O F T H E S T O R E C O R P O R A T I O N B E R H A D

We have audited the financial statements set out on pages 39 to 66. 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 2003 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 4 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. 1499/5/05 (J)  
Partner

29 July 2003

# B A L A N C E S H E E T S

FOR THE YEAR ENDED 31 MARCH 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
PROPERTY, PLANT AND EQUIPMENT	3	201,458	211,249	11,764	10,745
SUBSIDIARY COMPANIES	4	-	-	202,894	202,894
ASSOCIATED COMPANY	5	15,957	16,114	-	-
OTHER INVESTMENTS	6	2,332	2,333	-	-
GOODWILL ON ACQUISITION	7	12,960	14,792	-	-
<b>CURRENT ASSETS</b>					
Inventories	8	136,605	133,412	-	-
Trade and other receivables	9	50,159	42,702	11,195	10,993
Amount owing by subsidiary companies	4	-	-	120,864	120,370
Tax recoverable		14,105	6,406	3,271	2,677
Time deposits	10	2,523	2,969	-	875
Cash and bank balances		33,305	30,854	121	8,937
		236,697	216,343	135,451	143,852
Less:					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	226,747	231,408	347	8,899
Amount owing to subsidiary companies	4	-	-	222,037	223,416
Bank borrowings	12	24,732	38,900	-	10,500
Tax payable		9,685	1,715	-	-
		261,164	272,023	222,384	242,815
NET CURRENT LIABILITIES		(24,467)	(55,680)	(86,933)	(98,963)
		208,240	188,808	127,725	114,676
		=====	=====	=====	=====
Financed by:					
SHARE CAPITAL	13	62,276	62,276	62,276	62,276
UNAPPROPRIATED PROFIT		118,342	100,136	65,153	51,970
		180,618	162,412	127,429	114,246
SHAREHOLDERS' EQUITY		647	778	-	-
MINORITY INTERESTS					
<b>LONG TERM AND DEFERRED LIABILITIES</b>					
Discount on acquisition	14	14,528	16,342	-	-
Long term liabilities	15	3,981	3,957	296	430
Deferred tax liabilities	16	8,466	5,319	-	-
		26,975	25,618	296	430
		208,240	188,808	127,725	114,676
		=====	=====	=====	=====

Notes to and forming part of the financial statements are set out on pages 45 to 66



I N C O M E  
S T A T E M E N T S  
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Gross revenue	17	1,137,914	1,226,599	26,064	22,739
Cost of sales	18	(922,094)	(1,028,826)	-	-
Gross profit		215,820	197,773	26,064	22,739
Other operating income		6,188	7,351	95	26
Marketing and selling expenses		(120,332)	(121,614)	-	-
Administrative and general expenses		(61,244)	(53,167)	(3,261)	(3,476)
Property, plant and equipment written off		(4,266)	(1,453)	-	-
Profit from operations		36,166	28,890	22,898	19,289
Finance costs		(3,046)	(3,869)	(485)	(1,742)
Share of profit in an associated company		440	-	-	-
Profit before tax	19	33,560	25,021	22,413	17,547
Tax expense					
- Company and its subsidiaries	20	(12,406)	(8,606)	(6,540)	(5,320)
- Share of tax expense in associated company		(389)	-	-	-
Profit after tax		20,765	16,415	15,873	12,227
Minority interests		131	52	-	-
Net profit for the year		20,896	16,467	15,873	12,227
Net dividend per share (sen)		4.32	4.32	4.32	4.32
Earnings per share (sen)	21	33.55	26.44		

Notes to and forming part of the financial statements are set out on pages 45 to 66

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2003

	-----Unappropriated profit-----				
	Share capital RM'000	Undistributed RM'000	Dividends RM'000	Sub-total RM'000	Total RM'000
At 1 April 2001	62,276	83,669	2,690	86,359	148,635
Dividend paid - balance brought forward	-	-	(2,690)	(2,690)	(2,690)
Net profit for the year	-	16,467	-	16,467	16,467
Proposed first and final dividend of 6% less 28% tax	-	(2,690)	2,690	-	-
At 31 March 2002	62,276	97,446	2,690	100,136	162,412
Dividend paid - balance brought forward	-	-	(2,690)	(2,690)	(2,690)
Net profit for the year	-	20,896	-	20,896	20,896
Proposed first and final dividend of 6% less 28% tax	-	(2,690)	2,690	-	-
At 31 March 2003	62,276	115,652	2,690	118,342	180,618

Notes to and forming part of the financial statements are set out on pages 45 to 66

STATEMENT OF  
**CHANGES IN EQUITY**  
 FOR THE YEAR ENDED 31 MARCH 2003

	Share capital RM'000	Undistributed RM'000	Dividends RM'000	Sub-total RM'000	Total RM'000
---- Unappropriated profit ----					
At 1 April 2001	62,276	39,743	2,690	42,433	104,709
Dividend paid					
- balance brought forward	-	-	(2,690)	(2,690)	(2,690)
Net profit for the year	-	12,227	-	12,227	12,227
Proposed first and final dividend of 6% less 28% tax	-	(2,690)	2,690	-	-
At 31 March 2002	62,276	49,280	2,690	51,970	114,246
Dividend paid					
- balance brought forward	-	-	(2,690)	(2,690)	(2,690)
Net profit for the year	-	15,873	-	15,873	15,873
Proposed first and final dividend of 6% less 28% tax	-	(2,690)	2,690	-	-
At 31 March 2003	62,276	62,463	2,690	65,153	127,429

Notes to and forming part of the financial statements are set out on pages 45 to 66

# C A S H F L O W S T A T E M E N T S

F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	33,560	25,021	22,413	17,547
Adjustments for:				
Amortisation of goodwill on acquisition	1,832	1,017	-	-
Amortisation of discount on acquisition	(1,814)	(1,807)	-	-
Depreciation	17,268	19,708	625	244
Property, plant and equipment written off	4,266	1,453	-	-
Loss/(Gain) on disposal of property, plant and equipment	225	(247)	(10)	-
Profit retained in an associated company	(440)	-	-	-
Impairment loss on value of other investments	1	-	-	-
Allowance for doubtful debts	10	51	-	-
Bad debts written off	-	28	-	-
Inventories written down	-	79	-	-
Dividend income	-	-	(25,189)	(22,739)
Interest income	(114)	(189)	(81)	(26)
Interest expenses	2,768	3,659	441	1,692
Hire purchase and finance lease term charges	278	209	43	50
	-----	-----	-----	-----
Operating profit/(loss) before working capital changes	57,840	48,982	(1,758)	(3,232)
Changes in inventories	(3,193)	(2,557)	-	-
Changes in receivables	(7,467)	8,254	(202)	5,862
Changes in payables	(252)	8,836	(8,573)	8,608
	-----	-----	-----	-----
Cash generated from/(utilised in) operations	46,928	63,515	(10,533)	11,238
Interest received	114	189	81	26
Interest paid	(2,768)	(3,659)	(441)	(1,692)
Tax paid	(8,988)	(14,886)	(81)	(195)
	-----	-----	-----	-----
Net cash from/(used in) operating activities	35,286	45,159	(10,974)	9,377
	-----	-----	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(7,634)	(21,147)	(1,644)	(10,114)
Acquisition of new subsidiary companies, net of cash (Note 22)	-	(25,161)	-	(25,418)
Purchase of additional shares in subsidiary companies	-	(976)	-	(29,110)
Proceeds from disposal of property, plant and equipment	716	896	10	-
Repayment by subsidiary companies	-	-	(494)	18,732
Dividends received from subsidiary companies	-	-	18,136	16,372
Dividends received from associated company	208	-	-	-
	-----	-----	-----	-----
Net cash (used in)/from investing activities	(6,710)	(46,388)	16,008	(29,538)
	-----	-----	-----	-----

Notes to and forming part of the financial statements are set out on pages 45 to 66

C A S H F L O W  
S T A T E M E N T S  
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 3

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid to shareholders of the Company	(2,690)	(2,690)	(2,690)	(2,690)
Issue of shares to minority shareholders	-	160	-	-
Fund raised from refinancing of property, plant and equipment under finance lease	-	615	-	-
Bank term loans raised	-	2,500	-	-
Repayment of bank term loans	(21,015)	(22,032)	(10,500)	(14,000)
Payment of hire purchase and finance lease instalments	(1,399)	(878)	(113)	(92)
Hire purchase and finance lease term charge paid	(278)	(209)	(43)	(50)
Repayment to subsidiary companies	-	-	(1,379)	39,789
	-----	-----	-----	-----
Net cash (used in)/from financing activities	(25,382)	(22,534)	(14,725)	22,957
	-----	-----	-----	-----
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>				
	3,194	(23,763)	(9,691)	2,796
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>				
	16,268	40,031	9,812	7,016
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>				
	----- 19,462 =====	----- 16,268 =====	----- 121 =====	----- 9,812 =====
Represented by:				
TIME DEPOSITS	2,523	2,969	-	875
CASH ANDD BANK BALANCES	33,305	30,854	121	8,937
BANK OVERDRAFTS	(16,366)	(17,555)	-	-
	----- 19,462 =====	----- 16,268 =====	----- 121 =====	----- 9,812 =====

During the financial year, the Group and the Company purchased property, plant and equipment amounting to RM12,684,000 (2002 : RM22,591,000) and RM1,644,000 (2002 : RM10,738,000) respectively of which RM5,050,000 (2002 : RM1,444,000) and RM Nil (2002 : RM624,000) respectively were financed under hire purchase and finance lease and the balance of RM7,634,000 (2002 : RM21,147,000) and RM1,644,000 (2002 : RM10,114,000) respectively were paid by cash.

Notes to and forming part of the financial statements are set out on pages 45 to 66

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements are prepared under the historical cost convention, unless otherwise indicated in the accounting policies set out below.

The financial statements comply with applicable approved accounting standards issued or adopted by the Malaysian Accounting Standards Board ("MASB") and the provisions of the Companies Act, 1965.

In previous financial year, dividends were accrued as a liability when declared or proposed by the directors of the Company. During the financial year, the Company has changed this policy to comply with MASB 19 : Events After the Balance Sheet Date. The change in accounting policy has resulted in representation of comparative information of the Company and the Group as disclosed in Note 29.

### (b) Subsidiary companies

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

The Company's interests in subsidiary companies are stated at cost less accumulated impairment loss. The investments are written down when there is an impairment loss 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 less accumulated impairment loss. The investment is written down when there is an impairment loss on the value of such investment. 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 Group's 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 its latest audited or management financial statements made up to the end of the financial year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

## **(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 its value has deteriorated or when it ceases to have a useful life.

## **(f) Property, plant and equipment**

### **(i) Measurement basis**

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

### **(ii) Depreciation**

Freehold land is not amortised. 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 and equipment	10% - 33 1/3 %
Furniture, fixtures and fittings	10%
Motor vehicles	10% - 20%
Renovations	5% - 10%

## **(g) Assets acquired under hire purchase and finance lease agreements**

Assets financed by hire-purchase and finance lease agreements which transfer substantially all the risks and rewards of ownership to the Group, are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. Assets acquired by way of hire-purchase and finance leases are stated at an amount equal to the lower of their fair values and the present values of the minimum hire-purchase and finance lease payments at the inception of the hire purchase and leases. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

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

## **(h) Other investments**

Other investments are stated at cost less accumulated impairment loss and are held for long term. The investments are written down when there is an impairment loss on the value of such investments. The impairment loss is charged to the income statement.

## **(i) 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.

## **(j) Receivables**

Receivables are stated at their normal values and an allowance is made for any receivables considered to be doubtful of collection. Known bad debts are written off.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

## (k) Payables

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

## (l) Share capital

Ordinary shares are recorded at the nominal values and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the income statement.

Dividends on ordinary shares, when declared or proposed by the directors of the Company are disclosed within the components of equity. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

## (m) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of an estimated net selling price of the asset and its value in use. Value in use of an asset is measured using the discounted future cash flows expected to be generated from continuing use of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an item of asset or the cash generating unit to which it belongs exceeds its recoverable amount. The impairment loss, if any, is charged to the income statement.

Any subsequent increase in recoverable amount is recognised as reversal of previous impairment loss and should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

## (n) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the Group when the revenue 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

## vi) Management fee

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

## (o) 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 finance lease periods so as to give a constant periodic rate of interest on the remaining hire purchase and finance lease liabilities.

## (p) 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.

## (q) Cash equivalents

Cash equivalents comprise time deposits, cash and bank balances, bank overdrafts, and other 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.

## (r) Rounding of amounts

Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand. The currency used is Ringgit Malaysia ("RM").

## (s) Financial instruments

The recognised financial instruments of the Group comprise cash and cash equivalents, long term investments, bank borrowings, hire purchase and finance lease liabilities, receivables and payables that arise directly from its operations, non-trade receivables and payables arising from transactions entered into in the normal course of business as well as ordinary share capital. These financial instruments are recognised when a contractual relationship has been established. All financial instruments are denominated in Ringgit Malaysia, unless otherwise stated. The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied, are disclosed above. The information on the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements. There are no financial instruments not recognised in the balance sheet.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objectives are to ensure that the Group creates value and maximises returns to its shareholders.

Financial risk management is carried out through risk reviews, internal controls systems, benchmarking the industry's best practices and adherence to the Group's financial risk management policies.

The Group has been financing its operations mainly through financing from licensed financial institutions and internally generated funds. The Group does not find it necessary to enter into derivative transactions based on its current level of operations.

The main risks arising from the financial instruments of the Group are credit risk, interest rate risk, market risk and liquidity and cashflow risk. The management of the Group monitors its financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the financial year.

### (a) Credit risk

The Group is not exposed to any major credit risk as most of the Group's business transactions in its retail operations are in cash terms. Credit risk arises when sales are made and services are rendered by certain subsidiaries on deferred credit terms and when surplus cash is invested.

The Group considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

### (b) Interest rate risk

The Group is exposed to interest rate risk in respect of its time deposits placed with financial institutions, bank borrowings and hire purchase and finance lease liabilities. This risk is managed through the use of fixed and floating interest rate financial instruments. It is the policy of the Group not to trade in interest rate swap agreements.

### (c) Market risk

The Group's exposure to market risk arises mainly from changes in market price of its quoted investments. The management of the Group regards the market risk to be negligible and having a minimal impact to the Group as the investments are held for long term strategic purposes.

### (d) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit line available.

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

**3. PROPERTY, PLANT AND EQUIPMENT**

Group	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Motor vehicles RM'000	Machinery and equipment RM'000	Furniture, fixtures and fittings RM'000	Renovations RM'000	Total RM'000
2003							
Cost							
At 1 April	114,903	18,459	8,387	61,825	94,582	27,655	325,811
Additions	-	-	1,396	4,855	3,638	2,795	12,684
Disposals	-	-	(1,905)	(119)	(38)	(3)	(2,065)
Write-off	-	-	-	(2,252)	(7,356)	-	(9,608)
At 31 March	114,903	18,459	7,878	64,309	90,826	30,447	326,822
Accumulated depreciation							
At 1 April	9,599	185	6,345	34,644	54,705	9,084	114,562
Charge for the year	2,212	145	886	4,916	5,797	3,312	17,268
Disposals	-	-	(1,076)	(39)	(9)	-	(1,124)
Write-off	-	-	-	(1,335)	(4,007)	-	(5,342)
At 31 March	11,811	330	6,155	38,186	56,486	12,396	125,364
Net book value at 31 March	103,092	18,129	1,723	26,123	34,340	18,051	201,458
2002							
Net book value at 31 March	105,304	18,274	2,042	27,181	39,877	18,571	211,249
Depreciation charge for the year	2,216	16	1,016	5,871	8,379	2,210	19,708

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

Company	Long leasehold land and buildings RM'000	Motor vehicles RM'000	Equipment RM'000	Furniture, fixtures and fittings RM'000	Renovations RM'000	Total RM'000
2003						
Cost						
At 1 April	8,500	1,433	446	843	597	11,819
Additions	-	-	646	503	495	1,644
Disposal	-	(558)	-	-	-	(558)
At 31 March	8,500	875	1,092	1,346	1,092	12,905
Accumulated depreciation						
At 1 April	-	832	161	64	17	1,074
Charge for the year	122	150	109	135	109	625
Disposal	-	(558)	-	-	-	(558)
At 31 March	122	424	270	199	126	1,141
Net book value at 31 March	8,378	451	822	1,147	966	11,764
2002						
Net book value at 31 March	8,500	601	285	779	580	10,745
Depreciation charge for the year	-	162	45	20	17	244

The net carrying amounts of the properties of the Group charged to licensed banks for banking facilities granted to the Group are as follows:

	2003 RM'000	2002 RM'000
Freehold land and buildings	97,555	102,600
Long leasehold land and buildings	12,208	8,740
	109,763	111,340

The net carrying amounts of certain property, plant and equipment of the Company and the Group acquired under hire purchase and finance lease are as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Motor vehicles	1,206	1,625	451	601
Machinery and equipment	1,440	1,519	-	-
	2,646	3,144	451	601

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

**4. SUBSIDIARY COMPANIES**

	<b>2003 RM'000</b>	<b>2002 RM'000</b>
Unquoted shares, at cost	202,894 =====	202,894 =====

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:

	<b>Group equity interest</b>		<b>Principal activities</b>
	2003 %	2002 %	
<b>Subsidiaries of the Company</b>			
The Store (Malaysia) Sdn Bhd	100.0	100.0	Operation of department stores and supermarkets
The Store Holdings Sdn Bhd	100.0	100.0	Investment holding
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 (Kelantan) Sdn Bhd	100.0	100.0	Inactive
The Store Card Sdn Bhd (formerly known as The Store (Plaza BM) Sdn Bhd)	100.0	100.0	Provision of strategic incentive marketing solutions and customers loyalty schemes
TS Retail Systems Sdn Bhd (formerly known as The Store (Pudu) Sdn Bhd)	100.0	100.0	IT and computer related services
TS Universal Trading Sdn Bhd	100.0	100.0	Importer and distribution of souvenirs and trading in clothing and general goods
Yangtze Corporation Sdn Bhd	85.8	85.8	Wholesaling of household and general goods
*Pacific Hypermarket Group Sdn Bhd	100.0	100.0	Investment holding
Visual Utama Sdn Bhd	100.0	100.0	Investment holding
Delsinar Sdn Bhd	100.0	100.0	Investment holding
Nilai Hikmat Sdn Bhd	100.0	100.0	Investment holding
The Store (Kemaman) Sdn Bhd	100.0	100.0	Inactive
The Store (Seremban) Sdn Bhd	100.0	100.0	Inactive
The Store (Kluang) Sdn Bhd	100.0	100.0	Inactive

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

	Group equity interest		Principal activities
	2003 %	2002 %	
<b>Subsidiaries of the Company</b>			
The Store (Muar) Sdn Bhd	100.0	100.0	Inactive
The Store (Mentakab) Sdn Bhd	100.0	100.0	Inactive
The Store (Taman Tun Aminah) Sdn Bhd	100.0	100.0	Inactive
The Store (Klang) Sdn Bhd	100.0	100.0	Inactive
The Store (Central Square) Sdn Bhd	100.0	100.0	Inactive
The Store (Kampar Road) Sdn Bhd	100.0	100.0	Inactive
The Store (Kuantan Parade) Sdn Bhd	100.0	100.0	Inactive
The Store (Bentong) Sdn Bhd	100.0	100.0	Inactive
The Store (Subang) Sdn Bhd	100.0	100.0	Inactive
The Store (Port Dickson) Sdn Bhd	100.0	100.0	Inactive
The Store (Bukit Pasir) Sdn Bhd	100.0	100.0	Inactive
The Store (Kangar) Sdn Bhd	100.0	100.0	Inactive
The Store (Darul Naim) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary companies of The Store Holdings Sdn Bhd</b>			
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
The Store (Malacca) Sdn Bhd	100.0	100.0	Inactive
The Store (Batu Pahat) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary company of The Store (Terengganu) Sdn Bhd</b>			
The Store (Pusat K.T.) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary companies of Taiping Supermarket Holdings Sdn Bhd</b>			
Taiping Corporation Sdn Bhd	100.0	100.0	Property and investment holding
The Store (Taiping) Sdn Bhd	100.0	100.0	Inactive



NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

	Group equity interest		Principal activities
	2003 %	2002 %	
<b>Subsidiary company of</b>			
<b>Gold Shopping Centre Holdings Sdn Bhd</b>			
The Store (NS) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary companies of</b>			
<b>Summit Superstore Holdings Sdn Bhd</b>			
Arglye Sdn Bhd	100.0	100.0	Inactive
The Store (Summit Parade) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary company of</b>			
<b>The Store (Kelantan) Sdn Bhd</b>			
The Store (Sungai Petani) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary companies of</b>			
<b>Pacific Hypermarket Group Sdn Bhd</b>			
* 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	100.0	Investment holding and operation of department store and hypermarket
<b>Subsidiary company of</b>			
<b>The Store (Johore Bahru) Sdn Bhd</b>			
The Store (Johor Jaya) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary company of</b>			
<b>Murai Perdana Sdn Bhd</b>			
Cotler Sdn Bhd	92.2	92.2	Trading in clothing and general goods
<b>Subsidiary company of</b>			
<b>Taiping Corporation Sdn Bhd</b>			
The Store (Taiping Jaya) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary company of</b>			
<b>The Store (Taiping) Sdn Bhd</b>			
The Store (Tampin) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary companies of</b>			
<b>The Store (NS) Sdn Bhd</b>			
The Store (Taman Kok Lian) Sdn Bhd	100.0	100.0	Inactive
The Store (Kulim) Sdn Bhd	100.0	100.0	Inactive
<b>Subsidiary companies of</b>			
<b>The Store (Sungai Petani) Sdn Bhd</b>			
The Store (Kota Bahru) Sdn Bhd	100.0	100.0	Inactive
The Store (Shah Alam) Sdn Bhd	100.0	100.0	Inactive

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

	Group equity interest		Principal activities
	2003 %	2002 %	
<b>Subsidiary companies of Pacific Hypermarket &amp; Departmental Store Sdn Bhd</b>			
* Pacific Hypermarket Sdn Bhd	100.0	100.0	Inactive
* Pacific Department Store Sdn Bhd	100.0	100.0	Inactive
* Pacific Hypermarket (Prai) Sdn Bhd	100.0	100.0	Inactive
* Pacific Department Store (Prai) Sdn Bhd	100.0	100.0	Inactive

\* Subsidiary companies not audited by Moores Rowland.

## 5. ASSOCIATED COMPANY

	Group	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	16,114	16,114
Less :		
Return on capital set-off against cost of investment	208	-
	-----	-----
	15,906	16,114
Group's share of post-acquisition profit	51	-
	-----	-----
	15,957	16,114
	=====	=====
Represented by:		
Attributable share of net assets of associated company	15,957	16,114
	=====	=====

The associated company is Larut Matang Supermarket Holdings Bhd, a company incorporated in Malaysia, in which the Group holds 45.3% (2002 : 45.3%) of the issued and paid-up share capital. The principal activities of the associated company are property and investment holdings and the provision of management services. The associated company is held through Delsinar Sdn Bhd and Nilai Hikmat Sdn Bhd.

## 6. OTHER INVESTMENTS

	Group	
	2003 RM'000	2002 RM'000
Shares quoted in Malaysia, at cost	4	4
Less :		
Impairment loss	1	-
	-----	-----
	3	4
Unquoted shares, at cost	2,329	2,329
	-----	-----
	2,332	2,333
	=====	=====
Market value - quoted shares	3	3
	=====	=====

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

## 7. GOODWILL ON ACQUISITION

	Group	
	2003 RM'000	2002 RM'000
At 1 April	14,792	5,991
Additions during the year	-	9,818
	14,792	15,809
Less:		
Amortisation during the year	1,832	1,017
	12,960	14,792
At 31 March	12,960	14,792

## 8. INVENTORIES

	Group	
	2003 RM'000	2002 RM'000
Inventories stated at cost comprise:		
Trading inventories	136,422	133,239
Raw materials	183	173
	136,605	133,412
	136,605	133,412

## 9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Gross trade receivables	2,365	2,115	-	-
Less:				
Allowance for doubtful debts	151	141	-	-
	2,214	1,974	-	-
Other receivables	14,590	13,172	422	220
Deposits	32,544	26,281	10,773	10,773
Prepayments	811	1,275	-	-
	50,159	42,702	11,195	10,993
	50,159	42,702	11,195	10,993

Trade receivables represent amounts receivable from the sale of goods to customers. Other receivables are from the normal business transactions of the Group. All trade receivables are granted credit periods of 30 days.

## 10. TIME DEPOSITS

The time deposits are placed with licensed banks. Time deposits amounting to RM661,000 (2002 : RM2,234,000) of the Group and RM875,000 of the Company for 2002 are pledged to licensed banks for banking facilities granted to the Company and the Group.

The effective interest rate of the time deposits is 4.25% (2002 : 3.20% and 4.25%) per annum and the deposits have maturity periods of less than one year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

## 11. TRADE AND OTHER PAYABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	206,017	202,419	-	-
Other payables	10,983	21,537	42	8,613
Deposits	2,108	1,907	-	-
Accruals	5,532	4,549	182	184
Hire purchase liabilities (Note 15)	503	293	123	102
Finance lease liabilities (Note 15)	1,604	703	-	-
	-----	-----	-----	-----
	226,747	231,408	347	8,899
	=====	=====	=====	=====

Trade payables represent amounts outstanding for trade purchases. Other payables are from the normal business transactions of the Group. The credit periods granted by trade suppliers are between 7 and 150 days.

## 12. BANK BORROWINGS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Bankers acceptance				
- secured	6,360	2,793	-	-
- unsecured	39	39	-	-
Bills payable				
- secured	1,953	-	-	-
Bank overdrafts				
- secured	15,438	16,532	-	-
- unsecured	928	1,023	-	-
Current portion of bank term loans (Note 15)	14	18,513	-	10,500
	-----	-----	-----	-----
	24,732	38,900	-	10,500
	=====	=====	=====	=====

The bankers acceptance and bank overdrafts 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. The bills payable of a subsidiary company are secured by legal charges over a leasehold property of the Company. All bank borrowings are guaranteed by the Company.

The effective interest rates of the bank borrowings are as follows:

	Group		Company	
	2003 %	2002 %	2003 %	2002 %
Bankers acceptance	3.00 to 3.60	3.00 to 3.60	-	-
Bills payable	3.03 to 3.15	-	-	-
Bank overdrafts	7.90 to 8.40	7.90 to 8.70	-	-
	=====	=====	=====	=====

## 13. SHARE CAPITAL

	2003 RM'000	2002 RM'000
Authorised		
88,000,000 ordinary shares of RM1 each	88,000	88,000
	=====	=====
Issued and fully paid		
62,276,002 ordinary shares of RM1 each	62,276	62,276
	=====	=====

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

**14. DISCOUNT ON ACQUISITION**

	<b>Group</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>
At 1 April	16,342	17,892
Arising from acquisition of additional shares in a subsidiary company	-	257
	-----	-----
	16,342	18,149
Less:		
Amortisation during the year	1,814	1,807
	-----	-----
At 31 March	14,528	16,342
	=====	=====

**15. LONG TERM LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>	<b>2003 RM'000</b>	<b>2002 RM'000</b>
<i>Hire purchase liabilities</i>				
Outstanding hire purchase instalments due:				
- not later than one year	650	378	155	142
- later than one year and not later than five years	1,816	1,191	323	492
	-----	-----	-----	-----
	2,466	1,569	478	634
Less:				
Unexpired term charges	385	282	59	102
	-----	-----	-----	-----
Outstanding principal amount due	2,081	1,287	419	532
Less:				
Outstanding principal amount due not later than one year (Note 11)	503	293	123	102
Outstanding principal amount due later than one year and not later than five years	1,578	994	296	430
<i>Finance lease liabilities</i>				
Outstanding finance lease rental due:				
- not later than one year	1,877	794	-	-
- later than one year and not later than five years	2,617	458	-	-
	-----	-----	-----	-----
	4,494	1,252	-	-
Less:				
Unexpired term charges	487	102	-	-
	-----	-----	-----	-----
Outstanding principal amount due	4,007	1,150	-	-
Less:				
Outstanding principal amount due not later than one year (Note 11)	1,604	703	-	-
Outstanding principal amount due later than one year and not later than five years	2,403	447	-	-

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<i>Bank term loans</i>				
Bank term loan bearing effective interest rate at 8.40% (2002 : 8.40%) per annum, repayable by 9 equal quarterly instalments commencing January 2001	-	10,500	-	10,500
Bank term loan bearing effective interest rate at 8.40% (2002 : 8.40%) per annum, repayable by 10 quarterly instalments commencing December 2000	-	8,000	-	-
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	-	-
Bank term loans bearing effective interest rate at 8.15% (2002 : 8.15% - to 8.45%) per annum, repayable by 120 monthly instalments commencing January 1993 and June 1994	14	29	-	-
	-----	-----	-----	-----
	14	21,029	-	10,500
Less:				
Repayments due within twelve months (Note 12)	14	18,513	-	10,500
Repayments due after twelve months	-	2,516	-	-
	-----	-----	-----	-----
	3,981	3,957	296	430
	=====	=====	=====	=====

The effective interest rates of the hire purchase and finance lease liabilities are 8.70% (2002 : 8.70% and 11.00%) and between 8.70% and 10.70% per annum (2002 : 8.70% and 10.70%) respectively.

The bank term loan of the Company in the previous financial year was 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 in the previous financial year was secured by a fixed and floating charge over the assets of the subsidiary and was also guaranteed by the holding company.

NOTES TO AND FORMING PART OF THE  
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 FOR THE YEAR ENDED 31 MARCH 2003

**16. DEFERRED TAX LIABILITIES**

	<b>Group</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>
At 1 April	5,319	4,903
Underestimated in prior years	-	75
	-----	-----
	5,319	4,978
Transfer from income statement	3,147	341
	-----	-----
At 31 March	8,466	5,319
	=====	=====
The deferred tax liabilities comprise:		
Deferred tax liabilities on taxable timing differences between net book value and tax written down value of property, plant and equipment	8,466	5,798
Deferred tax assets arising from recognition of unabsorbed capital allowances and unutilised tax losses	-	(479)
	-----	-----
	8,466	5,319
	=====	=====

At 31 March 2003, 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:

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>	<b>2003 RM'000</b>	<b>2002 RM'000</b>
Unutilised tax losses	8,799	11,605	-	-
Unabsorbed capital allowances	3,550	3,880	321	276
Taxable timing differences between net book value and tax written down value of property, plant and equipment	(374)	(1,386)	(238)	(116)
	-----	-----	-----	-----
	11,975	14,099	83	160
	=====	=====	=====	=====

**17. GROSS REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>	<b>2003 RM'000</b>	<b>2002 RM'000</b>
Sale of goods net of discounts	1,134,928	1,224,829	-	-
Concessionary rental income	2,646	1,116	-	-
Concessionary commission	142	553	-	-
Dividend income	-	-	25,189	22,739
Management fees	-	-	875	-
Rental income from properties	184	54	-	-
Interest income	14	47	-	-
	-----	-----	-----	-----
	1,137,914	1,226,599	26,064	22,739
	=====	=====	=====	=====



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

## 18. COST OF SALES

	Group	
	2003 RM'000	2002 RM'000
Cost of goods sold	922,059	1,028,783
Direct operating costs relating to rental income from properties	35	43
	922,094	1,028,826
	922,094	1,028,826

## 19. PROFIT BEFORE TAX

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before tax is stated after charging:				
Allowance for doubtful debts	10	51	-	-
Amortisation of goodwill on acquisition	1,832	1,017	-	-
Auditors' remuneration				
- current year	565	545	35	35
- underestimated in prior year	6	16	-	2
Bad debts written off	-	28	-	-
Depreciation	17,268	19,708	625	244
Directors' remuneration				
- Directors of the Company				
- fees	613	205	133	121
- other emoluments	1,309	1,350	1,309	1,330
- Directors of the subsidiary companies				
- fees	420	520	-	-
- other emoluments	278	501	-	-
Finance costs				
- hire purchase and finance lease term charges	278	209	43	50
- interest expenses	2,768	3,659	441	1,692
Impairment loss on value of other investments	1	-	-	-
Inventories written down	-	79	-	-
Loss on disposal of property, plant and equipment	225	-	-	-
Property, plant and equipment written off	4,266	1,453	-	-
Rental of premises	36,159	32,726	25	162
	36,159	32,726	25	162
and crediting:				
Amortisation of discount on acquisition	1,814	1,807	-	-
Gross dividends from subsidiary companies	-	-	25,189	22,739
Gain on disposal of property, plant and equipment	-	247	10	-
Interest income	114	189	81	26
Rental income	5,384	4,052	-	-
	5,384	4,052	-	-

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

## 20. TAX EXPENSE

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current tax expense				
- current year	9,230	8,241	6,540	5,320
- under/(over)estimated in prior years	29	(51)	-	-
	-----	-----	-----	-----
	9,259	8,190	6,540	5,320
Deferred tax expense				
- current year	3,147	341	-	-
- underestimated in prior years	-	75	-	-
	-----	-----	-----	-----
	3,147	416	-	-
	-----	-----	-----	-----
	12,406	8,606	6,540	5,320
	=====	=====	=====	=====

The effective tax rate of the Company and the Group 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, approximately RM61,500,000 (2002 : RM51,000,000) out of the unappropriated profit of the Company at 31 March 2003 is available for distribution by way of dividends without incurring additional tax liability.

## 21. EARNINGS PER SHARE

Earnings per share is calculated based on Group profit after tax and minority interests of RM20,896,000 (2002 : RM16,467,000) and on 62,276,002 (2002 : 62,276,002) shares in issue during the financial year.

## 22. ANALYSIS OF ACQUISITION OF SUBSIDIARY COMPANIES

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

The Store (Darul Naim) Sdn Bhd  
 Delsinar Sdn Bhd  
 Nilai Hikmat Sdn Bhd

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

### (a) Effect on consolidated net profit:

	RM'000
Gross revenue	5,437
	=====
Cost of sales	4,624
	=====
Loss before tax	(200)
Tax expense	-
	-----
Decrease in Group's net profit	(200)
	=====

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

<b>(b) Effect on consolidated financial position:</b>	<b>RM'000</b>
Property, plant and equipment	2,239
Associated company	16,114
Inventories	4,724
Receivables	495
Cash and bank balances	257
Payables	(7,822)
	-----
Increase in Group's share of net assets	16,007
	=====

<b>(c) Effect on consolidated cash flow statement:</b>	<b>RM'000</b>
Net assets acquired:	
Property, plant and equipment	2,239
Associated company	16,114
Inventories	4,724
Receivables	495
Cash and bank balances	257
Payables	(7,822)
Goodwill on acquisition	9,411
	-----
Total purchase consideration	25,418
Less:	
Cash and cash equivalents acquired	257
	-----
Net cash flows on acquisition	25,161
	=====

## 23. EMPLOYEES INFORMATION

	<b>Group</b>		<b>Company</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Staff costs	RM66,291,000	RM65,425,000	RM1,580,000	RM1,815,000
	=====	=====	=====	=====
Number of employees at year end	4,545	4,795	22	83
	=====	=====	=====	=====

## 24. RELATED PARTY TRANSACTIONS

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

Transaction with a related party during the financial year is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>	<b>2003 RM'000</b>	<b>2002 RM'000</b>
Management fees from a subsidiary company, The Store (Malaysia) Sdn Bhd	-	-	875	-
	=====	=====	=====	=====

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

NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2003

**25. CAPITAL COMMITMENT**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>	<b>2003 RM'000</b>	<b>2002 RM'000</b>
Approved capital expenditure contracted but not provided for in the financial statements	1,469	1,200	-	960
	=====	=====	=====	=====

**26. CONTINGENT LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM'000</b>	<b>2002 RM'000</b>	<b>2003 RM'000</b>	<b>2002 RM'000</b>
Unsecured corporate guarantees in respect of banking and other credit facilities granted to subsidiary companies	-	-	64,900	71,700
	=====	=====	=====	=====

**27. SEGMENT ANALYSIS**

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

**28. FINANCIAL INSTRUMENTS**

(a) *Credit risk*

The entire financial assets of the Group are exposed to credit risk except for cash in hand, cash at banks and time deposits which are placed with licensed financial institutions in Malaysia. The management regards credit risk as minimal as most of the Group's businesses are transacted in cash in the retail branches of the Group. The exposure to credit risk by non-retail subsidiaries is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount and period. Concentration of credit risk with respect to trade receivables is limited due to a wide spread of customers.

The Group does not require collateral in respect of financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) *Interest rate risk*

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The effective interest rates for the interest earning financial assets and interest bearing financial liabilities at balance sheet date are disclosed in the respective notes to the financial statements.

(c) *Market risk*

The Group's exposure to market risk arises from changes in market price of its quoted investments. The management intends to hold the quoted investments for long term strategic purposes, thus any short term unfavourable changes in market price has minimal impact to the Group.

(d) *Liquidity and cash flow risk*

The Group's exposure to liquidity and cash flow risk is monitored on an ongoing basis. The concentration of liquidity and cash flow risk in respect of bank borrowings, hire purchase and finance lease liabilities are minimal as the Group maintains sufficient cash to meet these liabilities.

(e) *Fair values*

The carrying amounts of the financial assets and liabilities of the Company and the Group at 31 March 2003 approximated their fair values except as stated below:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	<b>Group</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
Other investments		
Unquoted shares	2,329 =====	* =====

\* It is not practicable to estimate the fair values of unquoted shares without incurring excessive costs. The investment is carried at its original cost in the balance sheet and subject to review for impairment. At year end, the net tangible assets value of the investment based on the audited financial statements of the companies were RM2,885,000.

## 29. PRIOR YEAR ADJUSTMENT

During the financial year, the Group changed its accounting policy with respect to the recognition of liabilities in compliance with the new standard MASB 19 : Events After the Balance Sheet Date. In the previous financial year, dividends declared or proposed by the directors were recognised as liabilities in the balance sheet. As a result of the adoption of MASB 19, the Group has not recognised proposed dividend for the year as a liability in the balance sheet but has disclosed it within the components of equity. Upon approval of the proposed dividend by the shareholders of the Company at the forthcoming annual general meeting, such dividend, when paid, will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividend is paid. Accordingly, the proposed dividend for prior year has been adjusted retrospectively in line with the new presentation and treatment of proposed dividend.

Balance sheet at 31 March 2002

	<b>As restated RM'000</b>	<b>As previously reported RM'000</b>
<b>Group</b>		
Proposed dividend	-	2,690
Unappropriated profit	100,136 =====	97,446 =====
<b>Company</b>		
Proposed dividend	-	2,690
Unappropriated profit	51,970 =====	49,280 =====

## 30. COMPARATIVE FIGURES

The following comparative figures have been restated to conform with the current year's presentation

	<b>Group</b>	
	<b>As restated RM'000</b>	<b>As previously reported RM'000</b>
Income Statement for the year ended 31 March 2002		
Administrative and general expenses	(53,167)	(55,410)
Amortisation of goodwill on acquisition	-	(1,017)
Amortisation of discount on acquisition	-	1,807
Property, plant and equipment written off	(1,453) =====	- =====

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NOTES TO AND FORMING PART OF THE  
**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2003

### **31. SUBSEQUENT EVENT**

On 16 April 2003, the Securities Commission approved the Commercial Papers ("CPs") and Medium Term Notes ("MTNs", collectively known as "The Programme") of the Company with an aggregate nominal value of up to RM200 million. The Programme which will mature seven years from the date of the first issuance is to finance the Group's working capital requirements, refinance the whole or part of the Group's existing short term borrowings and to finance capital expenditure for setting up new branches/outlets, investment in similar businesses and renovation works/upgrading costs on existing outlets.

On 9 July 2003, the Company issued its first CP with the nominal value of RM50 million. The CP which bears an effective interest rate of 4.35% per annum has a maturity period of one year.

### **32. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The financial statements of the Company and of the Group were authorised for issue by the directors on 29 July 2003.

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 39 to 66 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 2003 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

DATO' DR. TANG YEAM SOON  
 Director

CHANG YEN HUEI  
 Director

29 July 2003

**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 39 to 66 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 29 day of July 2003 ) 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 YE2003 RM'000
<b>The Store Corporation Bhd</b> 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)	8,378
<b>The Store Holdings Sdn Bhd</b> HS(D) 55098 & 55099 NPT 4 & 5, Sek 91A & 91B Town of Kuala Lumpur	1 unit apartment / rented to third parties	8	Freehold	959 sq. ft.	4-4-1991 (A)	81
<b>The Store Holdings Sdn Bhd</b> 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 / hostel	11	Freehold	3,738 sq. ft. (9,240 sq. ft.)	2-2-1993 (A)	477
<b>Tanjung Segi Sdn Bhd</b> Lot No.196,197, 198,199,200, 201,336 Bandar KB VIII, Melaka	Vacant Land / Car Park	-	Leasehold 99 years (13.1.2091)	95,104 sq. ft.	14-1-1992(A)	7,788
<b>The Store (Malacca) Sdn Bhd</b> Lots. Nos. A3/w-1,A3/w-2,A3/w-3, and A3/w-4, Rumah Pangsa Seri Kubu, Melaka	4 units of apartment / staff hostel	8	Freehold	3,400 sq. ft.	3-6-1993 (A)	212
<b>The Store (Sungai Petani) Sdn Bhd</b> 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
<b>The Store (Sungai Petani) Sdn Bhd</b> Lot 0048, Section 46 Pajakan Negeri 393 Bandar Sungei Petani Kuala Muda Mukim Sungai Pertani	4-storey shophouse / staff hostel	17	Leasehold 99 years (2.10.2080)	1,400 sq. ft. (5,300 sq. ft.)	22-7-1992 (A)	299
<b>The Store (Malaysia) Sdn Bhd</b> Lot 710 Section 4 Town of Bukit Mertajam Province Wellesley Centre	2-storey pre-war shophouse / rented to third parties	70	Leasehold 999 years (5.2.2930)	9,502 sq. ft. (19,000 sq. ft.)	23-02-1976 (A)	234
<b>The Store (Terengganu) Sdn Bhd</b> Grant 3719, Lot 976 & Grant 3720, Lot 977 Bandar Kuala Terengganu	Vacant Land / Car Park	-	Freehold	49,080 sq. ft.	18-4-1992 (A)	1,758
<b>The Store (Terengganu) Sdn Bhd</b> Grant 9989, Lot 3643 Kuala Terengganu	Vacant Land / Car Park	-	Freehold	915 sq. ft.	1-4-1993 (A)	94
<b>Taiping Supermarket Holdings S/B</b> Lot No.1987- 1999 Bandar Taiping, Tempat Taiping, Daerah Larut & Matang	4-storey shophouse complex / business operation	25	Freehold	6,859 sq. ft. (24,130 sq. ft.)	24-6-1982 (A)	2,699

# 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 YE2003 RM'000
<b>Taiping Corporation Sdn Bhd</b> Lot 70, 71 & 72 in Mukim of Tampin, Tampin	4-storey shophouse complex /business operation	22	Freehold	7,200 sq. ft. (24,130 sq.ft.)	6-3-1981 (A)	933
<b>Taiping Corporation Sdn Bhd</b> Lot 6619, Mukim Azam Kumbang, Daerah Larut Matang, Taiping	Vacant Land	-	Leasehold 999 years (19.11.2895)	6,767 sq. ft.	-1983- (A)	242
<b>Taiping Corporation Sdn Bhd</b> Lot 2951 & 2952 Town of Taiping 31 & 32, Jalan Convent, Taiping	2-storey linkhouse / warehouse and hostel	18	Leasehold 99 years (13.11.2080)	3,522 sq. ft. (4,044 sq. ft.)	- 1983 -(A)	205
<b>The Store Properties Sdn Bhd</b> H.S. (D) 29489, Lot No. 1439 H.S. (D) 29491, Lot No. 1440 Bandar Bukit Mertajam, Sek 5, Daerah Seberang Prai Tengah Negeri Pulau Pinang	3 storey shophouse /rented to third parties	23	Freehold	2,800 sq. ft. (8,400 sq. ft.)	17-8-1994 (A)	567
<b>The Store Properties Sdn Bhd</b> HS(D) 9730 & 9731 PT No. 7227 & 7228. Bandar Mentakab, Temerloh, Pahang	2 units of 3-storey shophouse / staff hostel and rented to 3rd party	8	Freehold	3,200 sq. ft. (9,400 sq. ft.)	13-3-1997 (A)	567
<b>Pacific Hypermarket Properties S/B</b> No.1497, Jalan Wangka,Taman Semarak 14000 Bukit Mertajam	Double storey Shophouse / Vacant	9	Freehold	3,417 sq. ft. (9,240 sq. ft.)	25-2-1998 (A)	405
<b>Pacific Hypermarket Properties S/B</b> Parcel B888, Basement Floor, Megamal, Jalan Baru Prai, Mukim 1, Province Wellesley Central, Penang	Commercial units within a 5-commercial centre/ business operation	6	Freehold	198,706 sq. ft.	10-1-1998 (A)	61,162
<b>Bigever Properties Sdn Bhd</b> Parcel G888 & 1888, Ground & First Floor Megamal, Jalan Baru Prai, Mukim 1, Province Wellesley Central, Penang	Commercial units within a 5-commercial centre/ business operation	6	Freehold	111,640 sq ft	10-1-1998 (A)	33,931
<b>Yangtze Corporation Sdn Bhd</b> Lot No.11 Block 2 Type B, Kepong Light Industry Mukim Batu, District & State of Wilayah	1 1/2 storey terrace factory / business operation	3	Leasehold (99 years) (6.3.2101)	4,200 sq. ft.	29-2-2000 (A)	578
<b>Formyarn Sdn Bhd</b> No. 150 & 152 Lot 25168 & 25169 Batu 7 3/4, Jalan Kepong, Kuala Lumpur	2-storey shophouse / office and warehouse	27	Leasehold 99 years (9.8.2075)	1,195 sq. ft. (2,400 sq. ft.)	23-12-1993 (A)	404

# ANALYSIS OF SHAREHOLDINGS

A S A T 8 A U G U S T 2 0 0 3

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 8 AUGUST 2003

Holdings	No. of Holders	%	Total Holdings	%
less than 100 shares	7	0.25	299	0.01
100 to 1,000	1,344	48.43	1,327,452	2.13
1,001 to 10,000	1,231	44.36	4,631,681	7.44
10,001 to 100,000	148	5.33	5,171,555	8.30
100,001 to less than 5% of issued shares	42	1.51	39,578,015	63.55
5% and above of issued shares	3	0.11	11,567,000	18.57
TOTAL	2,775	100.00	62,276,002	100.00

## SUBSTANTIAL SHAREHOLDERS AS AT 8 AUGUST 2003

	Name of Substantial Shareholders	No. of Shares	%
1.	Dato' Dr. Tang Yeam Soon (direct and deemed)	17,543,000	28.17
2.	Equatorial Century Sdn Bhd (direct)	13,548,000	21.75
3.	Datin Khor Guik Lee (direct and deemed)	17,543,000	28.17
4.	Tan Sri Dato' Seri Tan Chee Yioun (direct and deemed)	7,821,000	12.56
5.	Berjaya VTCY Sdn Bhd (direct)	3,577,000	5.74

## DIRECTORS' SHAREHOLDINGS AS AT 8 AUGUST 2003

	Direct Interest	%	Deemed interest	%
Dato' Dr. 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
Datin Khor Guik Lee	1,242,000	1.99	16,301,000	26.17
Dato' Dr. Haji Kardin bin Haji Shukor	10,000	0.02	-	-

# LIST OF THIRTY LARGEST SHAREHOLDERS

A S A T 8 A U G U S T 2 0 0 3

Name of Shareholders	No. of Shares	%
1. RHB Capital 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. Surplus-ED Capital Sdn Bhd	3,104,000	4.98
5. HDM Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Amlied Holdings Sdn Bhd	2,900,000	4.66
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	2,206,000	3.54
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. Southern Finance Bhd - Pledged securities acc for Vincent Tan Chee Yioun	1,726,000	2.77
13. Cartaban Nominees (Asing) Sdn Bhd - Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	1,500,000	2.41
14. HDM Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Perspektif Bakti Sdn Bhd	1,332,100	2.14
15. Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Nusraya Holdings Sdn Bhd	1,248,000	2.00

LIST OF THIRTY  
**LARGEST SHAREHOLDERS**  
 A S A T 8 A U G U S T 2 0 0 3

Name of Shareholders	No. of Shares	%
16. Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Khor Guet Lin	1,243,000	2.00
17. HDM Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Pan Prosperity Holdings Sdn Bhd	1,225,000	1.97
18. Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Azam Spektrum Sdn Bhd.	1,219,000	1.96
19. Mayfin Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Khor Guik Lee	1,209,000	1.94
20. Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Pancaran Kurnia Sdn Bhd	1,175,000	1.89
21. Yap Yan Chuan	1,026,937	1.65
22. Southern Nominees (Tempatan) Sdn Bhd - Pledged securities acc for Equatorial Century Sdn Bhd	877,000	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. Pan Prosperity Holdings Sdn Bhd	541,000	0.87
26. Employees Provident Fund	494,000	0.79
27. Wong Yee Choo	442,000	0.71
28. Kam Teh Chung	320,869	0.51
29. Hong Leong Finance Bhd - Pledged securities acc for Surinder Singh A/L Wassan Singh	316,000	0.51
30. Yeap Hoi Aik	317,624	0.51
	----- 48,666,137 =====	----- 78.15 =====

# PROXY FORM



**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 Eleventh Annual General Meeting of the Company to be held at Prince 7 & 8, Prince Hotel & Residence Kuala Lumpur, Jalan Conlay, 50450 Kuala Lumpur on Friday, 26 September 2003 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 Dato' Dr. Haji Kardin bin Haji Shukor		
5. Re-election of Md Kamal Bin Bilal		
6. Re-election of Ishak Bin Yusuf		
7. Re-election of Datin Khor Guik Lee		
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 hands this \_\_\_\_\_ day of \_\_\_\_\_ 2003.

\_\_\_\_\_  
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

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Stamp

The Company Secretary  
**THE STORE CORPORATION BERHAD**  
Wisma Selangor Dredging,  
6th Floor, South Block, 142-A, Jalan Ampang,  
50450 Kuala Lumpur

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SECOND FOLD



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

&

AWARDED SUPERBRANDS STATUS 2003/2004

**THE STORE CORPORATION BERHAD**