JAYA JUSCO STORES BHD (126926-H)

ANNUAL REPORT

2000

FINANCIAL YEAR ENDED FEBRUARY 29, 2000

JAYA JUSCO STORES BHD (126926-H) Annual Report 2000

JUSCO

JAYA JUSCO STORES BHD (126926-H)
4th Floor, Menara Kausar, Jalan 3/27A, Seksyen 1, Bandar Baru Wangsa Maju, 53300 Kuala Lumpur.

Contents

Serving one, serving all in more communities

With the launch of its latest store in Kuala Lumpur's Mid Valley Megamall, JUSCO is proud to be serving a total of seven communities. The 'green' design approach of this annual report is significant to one of the basic philosophies of the AEON group (of which JUSCO is a part of) that maintains the necessity to continuously green the environment where ever JUSCO stores are. It also symbolises the growing network of JUSCO in Malaysia.

SEEDS TO SPROUT FORESTS

Together with the local community, we are planting seedlings one by one, creating an "AEON Hometown Forest" at every Jaya Jusco Shopping Centre. It is our way of sharing with individuals and local communities the wonder of nature and the beauty of a thriving forest.

SEEDS TO FLOWER DREAMS

Jaya Jusco continuously strives to offer customers merchandise of better value, to respond to their changing needs in an innovative fashion. Ultimately, our goal is to assist the local communities' quest for lifestyles as bountiful as a flourishing garden.

SEEDS TO SOW THE FUTURE

As a responsible corporate citizen, Jaya Jusco is working diligently to promote environmental protection. Through activities that generate friendship, understanding and social awareness, we would like to contribute to the enrichment and growth of future generations.

WE ARE THE AEON GROUP

We, the AEON Group, whether in the course of our operations or in our daily lives, strive to look beyond the immediate challenges and to focus on realizing our corporate mission - planting seeds of growth.

Whenever a new shopping centre is opened in Japan or in Southeast Asia, the Aeon Group makes every effort to plant trees native to that locale as part of the facility. By having the customers plant trees together with us, we conceived this as a means of raising people's awareness of environmental problems.

Since we began this activity in 1991, at the Jaya Jusco Melaka store, the Aeon Group has planted more than 3.28 million trees at 245 store sites in Japan and other countries, including Malaysia.

INTRODUCTION

JAYA JUSCO STORES IS A LEADING RETAILER IN MALAYSIA WITH A TOTAL TURNOVER OF RM804.2 MILLION.

The Company was incorporated on 15 September 1984. Jaya Jusco Stores was set up in response to the Malaysian Government's invitation to Jusco Japan to help modernise the retailing industry in Malaysia. The "Jusco" name is well established among Malaysians as well as foreigners, partly due to its association with the international AEON Group of Japan. Jaya Jusco Stores has established itself as a leading chain of superstores as evidenced by constant interior redecoration of our outlets, to project an image that will statisfy the demands of a population with ever changing needs and wants. The Company's performance is further enhanced by the management's accurate understanding of targeted market needs and the provision for a correct product mix. Jaya Jusco Stores outlets are situated in suburban residential areas, tapping the vast middle income group who are less likely to be affected by an economic downturn.

THE AEON GROUP, of which JUSCO Co., Ltd. is the core company, consists of general merchandise stores, supermarkets, discount stores, home centres, speciality stores and convenience stores. The Group's wide-ranging involvement also extends to financial services, restaurant operations and shopping centre development. The Group's activities, which are primarily related to the retail business are not limited to Japan, but covers a broad geographical area throughout the world. The name AEON comes from a Latin word which means "eternity" and symbolises the Group's desire to sustain continued growth as a sound business group into the 21st century and beyond.

OUR PRINCIPLE, regardless of how the times may change, is to serve the "Customer First". We are always mindful of the three keywords which make up the essence and character of the retail industry and must have their presence in any development: "peace", "people" and"community". It is a person-to-person business and our existence is deeply intertwined with the people in the regions and societies which we serve. These precepts remain the same wherever we do business. In every region of the world, we act as a contributing member of the local community.

OUR GOAL is to operate as an "international-scale retailing group", which is recognised for its excellence not only in Japan, but also by other nations. The international recognition we are working to achieve is not one measured in merely quantifiable terms of size, growth and profitability. We hope to be competitive at the global level in intangible elements such as customer satisfaction and corporate citizenship. We are dedicated to the idea of "quality management" to further enhance our capabilities.

OUR STRATEGY is to establish a solid competitive position and to achieve continuous growth. Two key components underlying this strategy are:

ACCELERATING SHOPPING CENTRE DEVELOPMENT. We are channeling our resources to develop attractive, integrated commercial facilities which our customers can fully enjoy, such as regional shopping centres and neighborhood shopping centres.

AGGRESSIVE PURSUIT OF CORE STORES such as large scale superstores and speciality stores in order to accelerate the formation of a highly competitive commercial enterprise.

We are also determined to earn your support, as shareholders and employees, by structuring the management to meet "global standards".

Corporate Information

Board of Directors

- Dato' Abdullah bin Mohd Yusof (Chairman)
- Takuya Okada
- Akihito Tanaka
- Masaaki Toyoshima
- YBhg Tan Sri Dato' Seri Halim Saad
- Yoichi Kimura
- Motoya Okada
- Ramli bin Ibrahim
- YBhg Tan Sri Datuk (Dr.) Kazumasa Suzuki
- Kamarudin Abu Hassan
- Kozo Murata (Alternate to Takuya Okada)

SECRETARIES
Ng Lee Chum (MAICSA 7003990)
Lum Chee Yeng (MAICSA 0880217)

REGISTERED OFFICE
4th Floor, Menara Kausar, Jalan 3/27A,
Seksyen 1, Bandar Baru Wangsa Maju,
53300 Kuala Lumpur.
Tel: 41433288 Fax: 41490222/333

HOMEPAGE
http://www.jusco.com.my

PRINCIPAL BANKERS
Bank of Tokyo-Mitsubishi (Malaysia) Berhad (302316-U)
Malayan Banking Berhad (3813-K)

AUDITORS & REPORTING ACCOUNTANTS
KPMG Desa Megat & Co. (AF0759)
Public Accountants,
Wisma KPMG, Jalan Dungun,
Damansara Heights,
50490 Kuala Lumpur.

REGISTRARS
M & C Services Sdn Bhd (3775-X)
11th Floor, Wisma Damansara,
Jalan Semantan, Damansara Heights,
50490 Kuala Lumpur.

STOCK EXCHANGE LISTING
Main Board of
Kuala Lumpur Stock Exchange

Corporate Calendar

Opening of new Jusco Mid Valley ....
22nd December 1999

Quarterly Results Announcement ....

2nd Quarter	22 October 1999
3rd Quarter	24 January 2000
4th Quarter	24 April 2000

Annual General Meeting ....
16th June 2000

Board of Directors

Dato' Abdullah bin Mohd Yusof
Chairman

Dato' Abdullah, aged 61, was appointed Chairman of Jaya Jusco Stores on 26 October 1984. He obtained a Bachelor of Laws (honours) degree from the University of Singapore in 1968. He has more than twenty (20) years of experience as an advocate and solicitor. He has held the positions of Chairman and Director in a number of public listed companies. Currently he is a partner of Messrs. Abdullah & Zainudin, Advocates and Solicitors. He is also the Chairman of Faber Group Berhad and Southern Steel Berhad, and a Director of Sistem Televisyen Malaysia Berhad and Renong Berhad, which are listed on the KLSE, as well as several private limited companies.

Mr Masaaki Toyoshima
Managing Director

Mr Toyoshima, aged 48, of Japanese nationality, is the Managing Director of the Company. He graduated from Nihon University, Japan, with a Bachelor of Economics degree in 1974 and in the same year joined Jusco Japan. He was the General Manager of the Control Division of Fukuoka Jusco prior to his secondment to Jusco Stores Hong Kong Co., Ltd., where he assumed the position of Senior Manager of Administration and was later promoted to the position of Executive Director in 1990. On 6 December 1994, he was transferred to Jaya Jusco Stores to assume the position of Deputy Managing Director. His superb expertise and excellent performance were responsible for the successful listings of two companies, one of which was Jusco Stores Hong Kong in 1994 and the other, Jaya Jusco Stores Bhd on 2 December 1996. Subsequently he was appointed the Company's Managing Director on 10 June 1997.

Encik Kamarudin Abu Hassan
Executive Director

Encik Kamarudin, aged 57, is the Executive Director of the Company. He was appointed to the Board on 16 January 1997. In 1966, he joined the Malaysian Armed Forces and held various positions. He graduated from the US Army Engineering School, Virginia, USA with an Advanced Diploma in Civil Engineering in 1979. He is also a graduate of the Malaysian Armed Forces Staff College where he completed his staff course with a Diploma in 1981. In March 1987, he retired from the Armed Forces and joined the Company as Personnel Manager. He was promoted to the position of Senior Personnel Manager in March 1994 before assuming the position of General Manager of Personnel, Finance, Administration and Security in 1996. He was conferred the "Outstanding Management Award" by the Chairman and CEO of Jusco Japan in 1996. Currently he leads the Business Development Division of the Company.

Mr Takuya Okada

Mr Okada, aged 74, of Japanese nationality, was appointed to the Board of Directors of Jaya Jusco Stores on 26 October 1984. He graduated from Waseda University, Japan in 1948, with a Bachelor of Commerce degree. He was appointed President of Okadaya in June 1946. In February 1969, he established Jusco Japan (a major Japanese retailing company) and assumed the position of President in April 1970. He has served as both Chairman and Chief Executive Officer of Jusco Japan since 1984. He is the founder of the AEON Group of Japan.

Mr Akihito Tanaka

Mr Tanaka, aged 52, of Japanese nationality, was previously the Managing Director of Jaya Jusco Stores from 1 March 1989 until 9 June 1997, and remains a Non-Executive Vice-Chairman of the Company. He graduated from Kansai University, Japan, with a Bachelor of Arts degree in Journalism in 1970. He was appointed a director of Jusco Japan in 1996 and now holds the position of Senior Managing Director of Jusco Co., Ltd. He is also Vice-Chairman of Jusco Stores (Hong Kong) Co., Limited, Qingdao Dongtai Jusco Co., Ltd. and Shanghai Jusco Co., Ltd. He is the Chairman of Taiwan Jusco Co., Ltd and a director of Siam Jusco Co., Ltd.

YBhg Tan Sri Dato' Seri
Halim Saad

YBhg Tan Sri Dato' Seri Halim Saad, aged 47, holds a Bachelor of Commerce and Administration degree from Victoria University of Wellington, New Zealand. He was appointed to the Board of Directors of Jaya Jusco Stores on 15 September 1984. He holds the position of Executive Chairman in Renong Berhad and is the Executive Vice-Chairman of United Engineers (Malaysia) Berhad, Faber Group Berhad and Kinta Kellas Public Limited Company. He also holds directorships in Camerlin Group Berhad, Keretapi Tanah Melayu Berhad and several other private limited companies.

Mr Yoichi Kimura

Mr Kimura, aged 55, of Japanese nationality was appointed to the Board of Directors of Jaya Jusco Stores on 18th June 1999. He graduated from Hitotsubashi University, Japan with a Bachelor of Economics degree in 1968. Prior to joining Jusco Japan, he was attached to the Dai-Ichi Kangyo Bank, Ltd as a Director. He joined Jusco Japan in 1998, as Chief Financial Officer. He is currently the Director and General Manager, International Division of Jusco Japan.

Mr Motoya Okada

Mr Okada, aged 49, of Japanese nationality, was appointed to the Board of Directors of Jaya Jusco Stores on 14 March 1992. He graduated from Waseda University, Japan, with a Bachelor of Commerce degree in 1975. In 1978, he graduated with a Masters degree in Business Administration from Babson College, Graduate School of Business Administration, USA. He joined Jusco Japan in 1979 and is currently holding the position of President of Jusco Co., Ltd., which he assumed in 1997. He is the son of Mr Takuya Okada.

INDEPENDENT NON EXECUTIVE DIRECTORS

Encik Ramli bin Ibrahim

Encik Ramli, aged 59, was appointed to the Board of Directors of Jaya Jusco Stores on 20 August 1996. He is a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants. He is also a Fellow of the Institute of Chartered Accountants in Australia. Currently he sits on the Board of Directors of several public listed companies as well as non listed public and private companies. He is a Trustee of Yayasan Kebajikan Negara (National Welfare Foundation), a member of the Board of Trustees of Amanah Ikhtiar Malaysia (AIM) and a member of the Management Committee of the Tun Hussein Onn National Eye Hospital.

YBhg Tan Sri Datuk (Dr.)
Kazumasa Suzuki

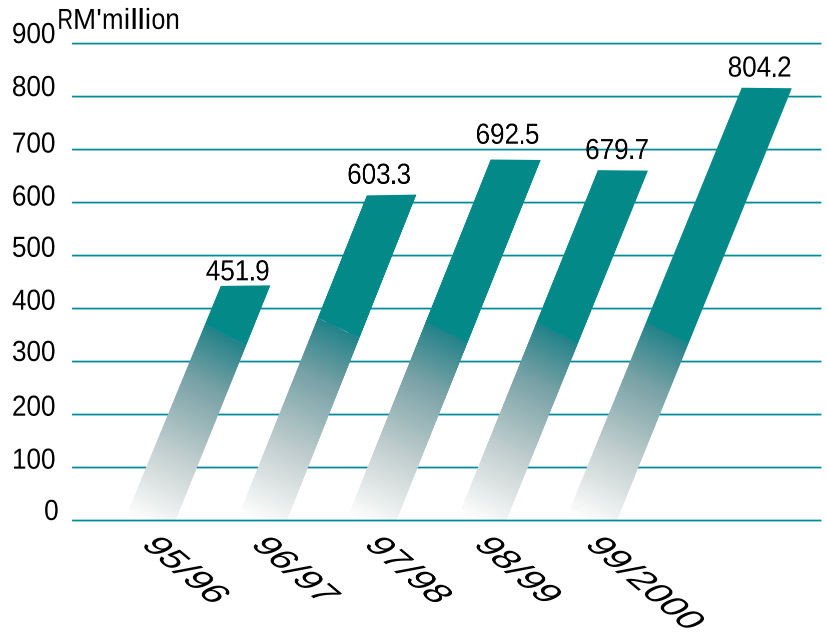
YBhg Tan Sri Datuk (Dr.) Suzuki, aged 67, was appointed to the Board of Directors of Jaya Jusco Stores on 20 August 1996. He obtained a degree in Economics at Gakushuin University, Japan, in 1957. In the same year, he joined Mitsui & Co., Ltd., a trading company. From 1989 to 1996 he was elected to the Board of Directors of Mitsui & Co., Ltd. and was subsequently appointed Executive Managing Director stationed in Malaysia in 1993. In 1996, he was appointed Counselor stationed in Malaysia. He has been President of the Japanese Chamber of Trade & Industry, Malaysia (JACTIM), since its inception in 1984; and the Chairman of JACTIM Foundation since 1995. He is currently President and CEO of Motoko Resources Sdn. Bhd. and Adviser to Tejana Trading Corporation Sdn. Bhd. He has been a member of the Board of Governors of Bankers Club since 1986; a founding member of the Centre for Japanese Studies at the Institute of Strategic and International Studies, Malaysia (ISIS), the country's premier think-tank, since 1991; and a member of the Malaysian-Japan Cultural Association since 1992. In 1997 he was conferred an Honorary Doctorate of Letters from Universiti Kebangsaan Malaysia. Tan Sri Datuk (Dr) Suzuki also sits on the Board of Directors of Perusahaan Otomobil Kedua Sdn Bhd.

FINANCIAL HIGHLIGHTS

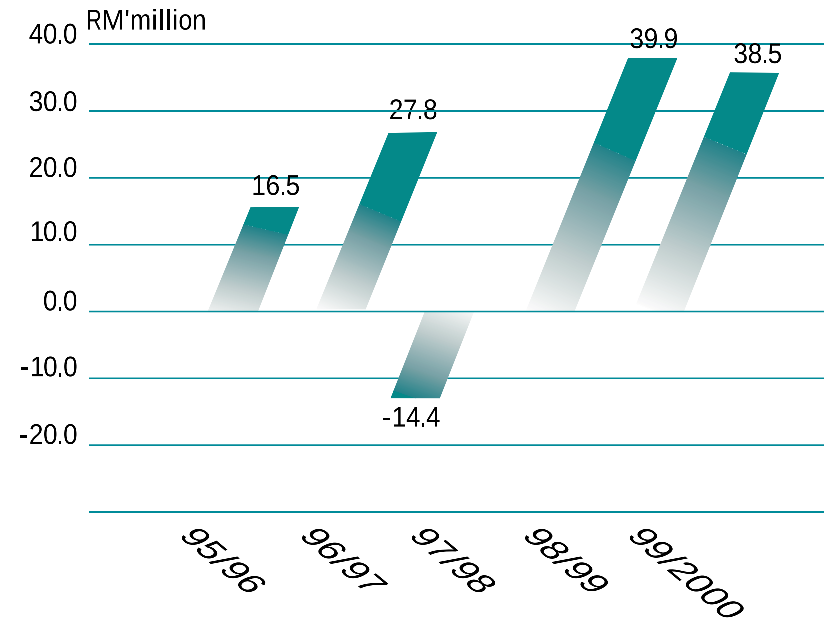
For Five Years - As at 28 & 29 February

Financial Results	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000	1996 RM'000
Turnover	804,214	679,710	692,493	603,273	451,867
Sales	732,779	606,956	618,737	541,025	420,031
Rental and other income	71,435	72,754	73,756	62,248	31,836
Profit before tax	56,048	40,113	6,064	44,340	24,775
Profit after tax	38,548	39,880	(14,443)	27,755	16,455
Net dividend	8,424	11,700	6,318	6,142	3,171
Balance Sheet					
Fixed assets	447,454	445,191	415,962	336,289	304,604
Interest in a subsidiary company	-	8	8	-	-
Investments	175	175	175	-	-
Deferred expenditure	2,707	2,370	4,110	2,771	3,369
Current assets	104,668	102,398	93,785	146,126	98,224
Current liabilities	(227,396)	(203,824)	(159,057)	(171,992)	(191,568)
Total assets	327,608	346,318	354,983	313,194	214,629
Financed By					
Share capital	58,500	58,500	58,500	58,500	45,300
Unappropriated profits	91,085	59,201	31,021	51,782	30,168
Currency fluctuation account	-	-	-	1,477	(951)
Revaluation reserve	55,352	57,111	57,111	57,111	57,111
Share Premium	58,385	58,386	58,386	58,386	17,225
Shareholders' funds	263,322	233,198	205,018	227,256	148,853
Long term liabilities	60,260	107,720	144,565	83,345	62,768
Deferred taxation	4,026	5,400	5,400	2,593	3,008
	327,608	346,318	354,983	313,194	214,629
Statistics					
Net earnings/(loss) per share (sen)	65.9	68.2	(24.7)	53.7	38.2
Gross dividend per share (%)	20	27.7	15	15	10

Turnover



Profit / (Loss) Attributable to Shareholders



Terms of Reference of Audit Committee

Audit Committee	Designation
• Ramli bin Ibrahim	Chairman (Independent Non-Executive Director)
• Tan Sri Datuk (Dr.) Kazumasa Suzuki	Member (Independent Non-Executive Director)
• Masaaki Toyoshima	Member (Executive Director)

COMPOSITION OF AUDIT COMMITTEE

The Committee shall be appointed by the Board from among its members and shall consist of not less than 3 members of whom a majority shall not:

a) be executive directors of the company or any related corporation.

b) a spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an executive director of the company or any related corporation, or

c) 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 functions of the audit committee.

The Committee shall elect a chairperson from amongst its members who is not an executive director or employee of the company or any related corporation.

In the event that a member of the audit 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 of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

MEETINGS

The Committee shall meet at least three times a year. In addition, the chairperson shall convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.

ATTENDANCE AT MEETINGS

The finance manager, the head of internal audit and a representative of the external auditors shall normally attend meetings. However, the committee may invite any person to be in attendance to assist it in its deliberations.

SECRETARY TO AUDIT COMMITTEE

The company secretary shall be the secretary of the committee and shall be responsible for drawing up the agenda in consultation with the chairperson. The agenda together with the relevant explanatory papers and documents shall be circulated to the committee members prior to each meeting.

The secretary shall be responsible for keeping the minutes of the meeting of the Committee, circulating them to committee members and to the other members of the Board of Directors and for ensuring compliance with KLSE requirements.

QUORUM

A quorum shall consist of a majority of committee members.

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.

The audit committee is also authorised to obtain outside legal or other independent professional advice as it considers necessary.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

- to review the company's half yearly and annual financial statements before submission to the Board.

  The review shall focus on :

  - any changes in accounting policies and practices.
  - major judgemental areas.
  - significant audit adjustments from the external auditors.
  - the going concern assumption.
  - compliance with accounting standards.
  - compliance with stock exchange and legal requirements.
- to review with the external auditors their audit plan, scope and nature of audit for the company.
- to assess the adequacy and effectiveness of the systems of internal control and accounting control procedures of the company by reviewing the external auditors' management letters and management responses.
- to discuss problems and reservations arising from the interim and final audits and any matters the auditors may wish to discuss.
- to review the internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings.
- to review any related party transactions that may arise within the Company.
- to consider the appointment of the external auditors, the terms of reference of their appointment, and any question of resignation and dismissal.
- to undertake such other responsibilities as may be agreed to by the Committee and the Board.
- to report to the Board its activities, significant results and findings.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of Jaya Jusco Stores Bhd for the financial year ended 29 February 2000.

FINANCIAL REVIEW

For the year under review, as with the excellent recovery in the economy of the country, the Company had registered an impressive turnover growth of 18% against the previous corresponding year accompanied by an equally impressive profit before tax growth as compared to the previous year.

The Company registered a profit before tax of RM 56.0 million (1998/1999 : RM 40.1 million) and a profit after tax of RM 38.5 million (1998/1999 : RM 39.9 million). This profit is achieved against a turnover of RM 804.2 million as compared with RM 679.7 million in the previous financial year.

Profits for the year, besides profit from ordinary activities, however, also include exceptional items which are the profit of RM 9.7 million from the disposal of one of our land and buildings and also against the write off of a project investment cost deemed not recoverable amounting to RM 5.3 million.

REVIEW OF OPERATIONS

The year under review had been a good year for the Company. Improving economic climate and concerted efforts by the government to encourage consumer spending and stimulate the economy had seen consumer sentiment and confidence growing resulting in greater consumption of which the retail sector is the prime beneficiary.

For the Company, both its core businesses of retailing and shopping centre management continue to do well. This year marked the Company's fifteen years presence in Malaysia and the Company's calendar of events and promotions for the year was organised to complement this anniversary. The Company also repositioned itself in the retail industry with more focus on maintaining and consolidating customer loyalty. Another significant event for the Company was the opening in mid December 1999 of its seventh and biggest outlet in Mid Valley Megamall, Kuala Lumpur, reputedly Asia's largest shopping mall.

Thus, from its retail operations, the Company enjoyed strongper formance results from all of its outlets, with the total Company retail sales performance for the year under review showing a significant improvement growth of 21% against the previous corresponding year.

Discounting the mere two and a half months contribution from Jusco Mid Valley, the combined and improved growth recorded by all our other existing outlets was 15%. They had all registered between a 7-30% growth over the previous year.

For our shopping centre management business, despite a loss of rental income for the year under review due to the disposal of one of our land and buildings, our performance was still remarkably good, achieving 98% against the previous corresponding year income. As the economic recovery continues, the demand for tenant space in shopping centres increases and the occupancy in our shopping centres continues to improve and at the end of February 2000, we had an occupancy rate of 98% as compared to 87% in the previous year. This achievement signifies the status of our shopping centres as premier shopping centres in the country. Prime retail space such as that in our shopping centres will continue to be sought after by retailers.

Another contributing factor to the higher turnover growth for the financial year was the encouraging success of our loyalty card, the J-card . To promote customer loyalty, the Company had since July 1998 been aggressively recruiting J-card members with major promotional blitz. Today, J-card is a success story of its own and its members number about 715,000 now. More encouragingly, their spending at our stores represent on the average about 50% of our monthly sales.

In an effort to rationalise the Company's overall operations and to release the Company's funds from being tied up in fixed asset investments, the Company disposed off one of its properties for a consideration of RM 27.0 million. The proceeds from the disposal were used for the expansion of our Melaka Store, reduce bank borrowings and also for working capital.

The Company also took prudent steps by writing off that part of a shelved project investment cost amounting to RM 5.3 million, which had been originally spent in earlier years prior to the onset of the economic crisis, as preliminary expenses, for the construction of a shopping centre in Johor Bahru. As the development strategy had now changed, the Board of Directors felt it would be most prudent to write off this amount which is unlikely to be recovered.

PROSPECTS

The worst part of the economic crisis seems to be over. More importantly, consumer confidence seems to be returning as reflected in the higher customer count and bigger transaction size at our outlets in the year under review.

The new millennium is expected to bring greater challenge to the Company as the economy continues to recover and new retail players emerge especially those targeted to be set up within the perimeters of our target markets. However, being one of the leading retailers in the country and with its vast and rich retailing experience, together with the tireless efforts of its staff, the Company is confident that the organisation will continue to see better days ahead. We are also confident that the current spending level will continue to rise in line with the continuous economic recovery.

Efforts will continue to ensure that the Company stores remain the favourite stores and shopping centres to patronise. We recognise that providing excellent customer services is a top priority in our retail industry. A happy and satisfied customer is likely to be a repeat customer. A repeat customer is likely to be a loyal customer. Customers want to be recognised and accorded good services. Therefore, we strive to provide them with the level of service that will satisfy and meet their expectation.

On our expansion, the Company is currently embarking on the renovation of its existing Taman Maluri store, to upgrade and convert it from its current status as a superstore into a shopping centre. The new look shopping centre is expected to be ready by the end of the year. Estimated capital expenditure for this project is about RM 89.0 million. The Company is also evaluating several potential sites and locations and the feasibility of strategic alliance with developers and land owners of these areas on the *"we design, you build and we lease"* concept. We are optimistic that a mall designed with the vision, views and philosophy of a retailer will stand a good chance of success.

On our J-card, besides maximising the usage of the available information from our database for provision of better services and merchandise to our customers, the database will also be used to explore more ways of rewarding our loyal customers.

We had in mid-November 1999, launched our homepage website (http://jusco.com.my), which represents another milestone in the company's vision. Our website besides being the homepage also provides online e-commerce of which we offer unique merchandise to selective target markets. This infant project is still very much in its experimental stage and for the Company is an investment for the

JAYA JUSCO STORES BHD (126926-H)

future. The Company has no doubt that e-commerce will be here to stay and will be a lifestyle of the future. Another distinct feature of the homepage is that it allows the Company to be interactive with its J-card members. I welcome all to access our homepage and find out for yourself more about the Company, its corporate information, J-card and other on going promotional activities.

DIVIDEND

The Board of Directors has the pleasure of recommending for your approval, a first and final gross dividend of 20 per cent less tax, amounting to RM 8.424 million for the financial year under review.

APPRECIATION

On behalf of the Board of Directors, I would like to extend unreservedly my sincere thanks to the management and staff of the Company for their commitment, dedication and contributions to the Company's achievement. To our customers, shareholders, suppliers, bankers and business associates, who have continued to provide us support and made us who we are today, I wish to express my appreciation and thanks to all of you.

DATO ABDULLAH BIN MOHD YUSOF
Chairman

REVIEW OF OPERATIONS

During the economic crisis which started in 1997, retail industry was very much in the focus due to its sensitivity from the impact of the country's economic fortunes. Consumer confidence and purchasing power were low and the retail industry were severely tested. Shakeup in the retail industry occurred as retail players, in particular, the smaller ones succumbed to the strain of the economic crisis. Jaya Jusco Stores Bhd as a retailer was severely tested too in its core businesses but strong foundation built over the past years ensured that the Company rode out the storm comfortably and emerged stronger from the crisis.

At the Grand Opening of JUSCO Mid Valley.

Freshness, assortment and quality at JUSCO.

The success factors that had stood us well during the economic crisis had also been the main reasons for our significant growth this year. Strong management, suitably located shopping centres with good layouts, right tenant mix and strong anchor tenants that provide a wide and deep variety of merchandise plus excellent customer services are contributing factors in our success. Our target market of middle to lower income level amidst the suburban vicinity have also proven to be the contributing success factor.

The Green Cafe at JUSCO Mid Valley.

RETAIL STORE OPERATIONS

If in the previous financial year, the Company suffered a marginal contraction in retail sales turnover of 2% due to the economic crisis, the strong economic recovery in 1999 had seen the Company performing a big turnaround in its retail sales performance. During the year under review, the Company achieved a retail sales turnover of RM 732.0 million which is an improvement of 21% over its previous year turnover figure of RM 606.0 million. The Company's monthly retail sales managed to rise to the pre-crisis level by the first quarter of the year under review.

This retail turnover figure included the contribution from our latest outlet in Mid Valley Megamall whereby in two and half months of operations to the financial year end, Jusco Mid Valley was able to contribute about 5% of the overall retail sales turnover of the Company for the year under review. Jusco Mid Valley is set to become a significant contributor to the Company's retail sales turnover in the new millennium.

All other existing stores recorded growth over the previous financial year. Our older store of Taman Maluri store recorded 11% growth over its last year's performance and our renovated Melaka shopping centre showed a 30% growth. Jusco store in Ipoh registered 16% growth and Jusco Bandar Utama and Klang registered 14% and 13% growth respectively. Our store in Wangsa Maju recorded 7% growth.

By business divisions, our GM1 or the apparel and clothing section registered the most impressive growth of 27% over the previous year. This reflect the consumers return to preference and taste for goods and services other than basic necessities. Our supermarket registered a 15% growth whereas our hardline which comprises electrical and household items, registered a 20% growth over the previous year.

A closer look at the fresh selection.

Even though the growth may be in tandem with the recovery of the economy, the achievement was still done under a difficult and challenging environment. Aside from the competition, changing consumer mindset, moods and tastes as the economy cycle goes from the crisis phase to the recovery phase required the Company to exercise flexibility and versatility in detecting and promptly changing the operational business directions of the Company.

Some of our VIP guests at the JUSCO Mid Valley Grand Opening.

The year under review marked the Company's fifteen years presence in Malaysia and the Company took the opportunity to celebrate the occasion with its customers, employees and the communities that it is in. The 15th Anniversary was kicked off with a fun-filled family day in mid March 1999. Various promotional fairs that offered attractive bargains throughout the year were organised around this anniversary theme and our mascot the "JJ Bear" made its cute presence in many owners' vehicles.

Our 15th Anniversary mascot - JJ Bear.

The J Card Customer Service corner takes on a smart new look.

Jusco Mid Valley opened in the middle of December 1999, representing the Company's seventh and largest outlet in Malaysia, occupying a total of approximately 298,000 square feet. Jusco Mid Valley represents a new beginning and a breakaway from the Company's traditional store layout and strategy. In Jusco Mid Valley, we created a very distinctive type of retail format that places total emphasis on the concept of a family store. Display, decor, layout, merchandise category and concept as well as conveniences were planned primarily with the customers' needs and convenience in mind. Floor layout had been tastefully done to ensure maximum exploitation of display area that brings out the theme and the family store concept that the store desired. Merchandise category concept and their display are presented as new lifestyles and alternatives to our customers.

Our popular J Card is a successful loyalty programme card and today has become a strategic tool for the Company. By the end of the financial year, we had about 715,000 members of which about 70% are active members. J Card members purchases constitute about 50% of our monthly sales.

More spacious aisles for the comfort of our shoppers.

We value our J Card members through which we sometimes experience a spirit of family closeness. Our J Card Sales day in which we opened our store exclusively only for our J Card members with quality merchandise at attractive bargains was a huge success. The benefits including instant rebates, special price and gift redemption points of which we continually try to enhance, were well accepted by the members.

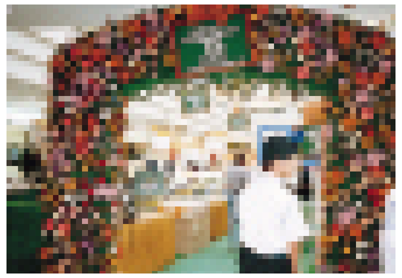
We are certainly proud of this achievement and intend to work hard to maintain this loyal customer base by further delivering value added benefits. Today we have J Card customer service centres in all our stores which provide a range of services like enquiries, gift wrapping, merchandise insurance, gift redemption and registration of new members

Besides creating customer loyalty, the J Card database allows us to monitor the spending patterns and habits of our customers specifically and other consumers generally. From the basket of goods and services purchased and the availability of the customer profiles, we are able to plan our merchandise and services to suit our customers' tastes and preferences.

Always bright, always welcoming.

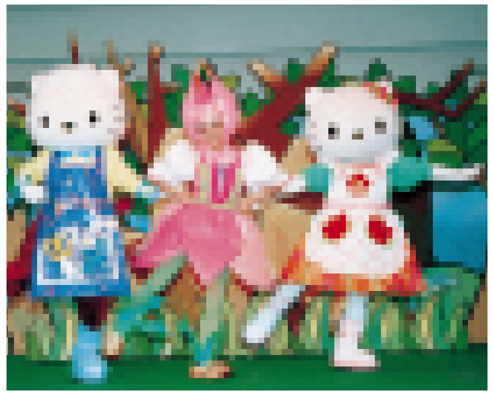
SHOPPING CENTRE MANAGEMENT

Shopping malls were hard hit during the economic crisis. During the boom years, many developers rushed in to build shopping centres without proper planning and feasibility studies. Often, there was a lack of proper concept and the philosophy or vision of a retailer was hardly incorporated. Thus, when completed especially during the crisis times, these malls faced a tough time surviving when demand was low and business was shrinking for everybody. Hence, we see today numerous shopping centres that never reach their potential as promised. Some malls are void of concepts and full of vacant lots.



Some of our many exciting events at our shopping centres.

Despite this scenario, shopping centres that are well planned in terms of location, layout, tenant mix, accessibility and with strong anchor tenants continued to be successful and their retail space continued to command good premiums.



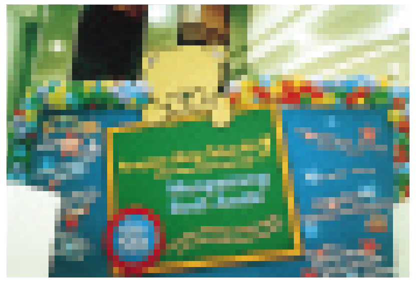
Colour and fun with Sanrio.

Jaya Jusco's expertise in designing, building and managing shopping malls put us in the category of shopping malls whose tenant space continued to be highly in demand. Even during the crisis when other malls were suffering from lack of tenants, our shopping malls continued to enjoy an average 87% occupancy rate. With the recovery of the economy, demand for tenant space has also picked up and currently we have on the average about 98% occupancy in our malls.

Thai food and culture.

Kinta City's 2nd Anniversary celebratons.

There is demand for tenant space from various kinds of prospective tenants but we are careful in our evaluation and selection in order to ensure that the tenant mix and quality of our shopping centres are not compromised. Only tenants who have the concept and merchandise that fit into the image and would enhance the value of our malls are considered. As tenant mix also needs to evolve with the changing society's needs and tastes, we also continuously do market surveys and evaluation of our existing tenants' performance and their value enhancement to our mall. This is to ensure that our malls will continue to be fresh, appealing and attractive to our customers.



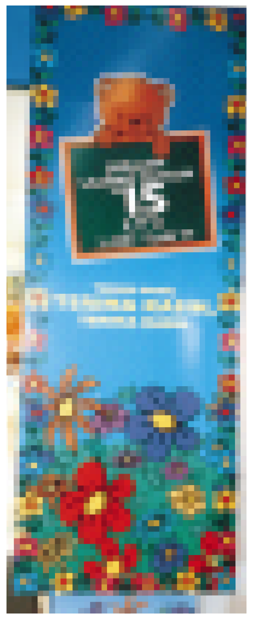
The shopping centre landscape in Malaysia is expected to change in the coming years. The trend emerging is for malls that contain a mix of retail, entertainment, amusement, essential services and leisure with food and beverage services as compared with only predominantly retail elements as in the past. Shopping malls have become a centre where people socialise and converge for various reasons besides shopping. A good shopping mall should be able to entice and extend customers patronage hours and spending levels in the mall.

Proper management of the daily operations of the shopping malls is as crucial as having the right tenant mix. Tip top general maintenance, security, operation hours, tenants compliance with operation rules and well organised quality promotional fairs and events will do well to enhance the shopping malls value. To this end, we have always strived to ensure that daily operational efficiency of our malls remain high.

FUTURE EXPANSION

The Company will embark on its latest project to upgrade its outlet in Taman Maluri into a shopping centre from its current status as a superstore. Additional space had been leased to accommodate this expansion and renovation. The plan is to double the size of this outlet from its present size. An estimated investment cost of about RM 89.0 million is being planned. The project is expected to be completed by the end of the year.

The Company is also currently studying various offers and propositions from other shopping centres and also property owners who believe that our presence will be mutually beneficial. The Company hopes to do strategic alliance with property owners on suitable locations through the, "we design, you build and we lease" concept. Designs will likely to be more on the neighbourhood and community shopping centres format



Highlights of our 15th Anniversary celebrations.

Festive flavour at our Ipoh store.

but we remain flexible and versatile in our expansion drive. For the offers from existing shopping centres, various criteria are being evaluated to ensure that the Company's investments will be strategically made in line with its long term plans. Attention is paid to detailed attributes and the choices of retail format available. Concentration is likely to be in the Klang Valley area where the Company feels that the retail industry has not reached the saturation point yet. Nevertheless, locations in other major towns are also being considered.

While expanding to new outlets, the Company will also continue to refurbish its existing stores and complexes to ensure they are always well maintained. Adequate capital expenditure is set aside for this purpose.

PROSPECTS

The continued economic recovery augurs well for the retail industry but in an ever-increasing competitive industry, retailers will continue to try to outdo each other and woo the consumers. Today's consumers are faced with many choices and possess greater consumer awareness. Demographic changes, higher income levels, education and changing lifestyles in new technological era all ensure this evolution. Competition is healthy as it brings out the best in us and the Company despite its leading retail image, certainly need to continuously have more innovation and creativity in its strategies to ensure its success.

More anniversary celebrations.

Our J-card database will be a primary tool in our customer relationship management and our experience as a retailer and shopping centre operator will allow us to face these challenges confidently.

Taiko drummers create excitement and fanfare.

HUMAN RESOURCE DEVELOPMENT

The Company recognises the invaluable contributions of all employees in the financial year 1999/2000. Through their combined efforts, Jaya Jusco had successfully opened its newest store at Mid Valley, The Megamall in December 1999. The teamwork spirit and support shown by the Jaya Jusco employees have helped to improve the total Company's performance.

Jaya Jusco employees visit Japan in spring.

As we progress into the new millennium, Jaya Jusco aims to further develop a committed workforce that is highly competent and professional to meet the new challenges brought about by the rapid changes in the highly competitive retail industry. In line with this vision, more attention will be channelled into promoting employees participation, teamwork spirit and communications as well as providing managerial and other personal development opportunities to our employees.

During the year in review, the Company have conducted various training and development programmes aimed at enhancing performance, productivity and customer services. Jaya Jusco also continuously recruits young graduates who have the potential to assume future managerial position under the Sales Consultants Development Programme.

AWARDS

In Jaya Jusco, employees who excelled in their work performance were given due recognition through various awards. One such award is the AEON Group's Excellent Management Award. This award is conferred to employees of the AEON Group of Companies who have shown outstanding achievements. We are proud that Puan Noryahwati binti Mohd Noh, was conferred this coveted award by the AEON Group for her excellent contributions to the Company in the year 1999.

A total of 41 staff received the Best Executives and Best Employees Award for the year 1999 for their excellent performance.

Long service awards were given to 130 employees who have served and completed their 5 years and 10 years of dedicated and loyal service with the Company.

MANPOWER

As at the end of the financial year, the Company has a total manpower of 3,600 employees representing the staff from the Head Office, Distribution Centre, Stores and Shopping Centre Management.

INFORMATION TECHNOLOGY

Successful Transition Into The New Millennium

A primary Information Technology (IT) concern for every company, as well as Jaya Jusco, during this year in review was the millennium bug. The millennium bug was a name given to the problem of computer systems not being able to recognize the year 2000. The Y2K committee, formed in 1998, accelerated their efforts as the year progressed. After a successful test of the millennium bug in March 1999, a second test was conduct in August to ensure the computer systems were still Y2K compliant. Test were completed, reviewed and audited to verify that all major systems were indeed Y2K compliant.

All possible problems caused by the millennium bug cannot be predicted, therefore it was important for Jaya Jusco to create a detailed contingency plan. The contingency plan would guide employees in case of problems. Initially a master plan was created by the Y2K committee, then each outlet was educated on the plan and customized it for their site. This contingency plan was critical for Y2K and is incorporated into the standard Jaya Jusco store operations document.

A command centre was setup on December 31 at Jaya Jusco headquarters to react quickly to any millennium problems. Headquarter department managers and senior managers manned this command centre to receive status and offer guidance to the stores. Each store had an assigned person in the command centre to facilitate communication. Smaller command centres were created at each Jaya Jusco outlet. Each outlet had a checklist of tasks to perform at specific times. The checklists included IT and non-IT systems checking. After midnight, each outlet performed the tasks on the checklist to find any problems. A communication plan was in place for each store to call with a status every half hour. No major problem was discovered from either the IT or non-IT areas.

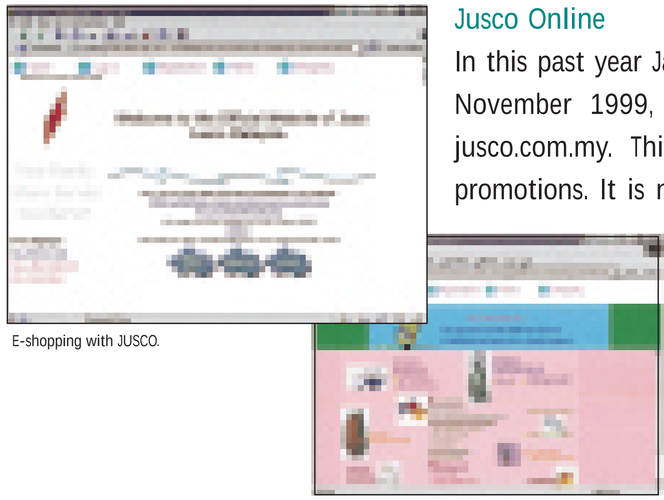
An additional check was done at 7:00am on January 1. Each outlet again performed the same Y2K checklist. By 9:00am all outlets had successfully completed this checklist and reported back to the main command centre. Jaya Jusco did not experience any problems related to the millennium bug.

New Technology at the Mid Valley Store

In 1999 Jusco opened its newest Mid Valley store. This store provided a new look to its customers in merchandise, appearance, services and technology. This store is one of the first in Malaysia to utilize a new credit card terminal that electronically captures signatures. Customers no longer have to use a pen to sign a credit card slip. They use a special pen to sign on a state-of-the-art signature capture pad. A copy of their credit card receipt with an electronic copy of their signature is printed on a thermal printer. This will enable Jusco to make it faster and easier for customers to pay by credit card. Also at the Mid Valley store, Jaya Jusco has implemented the first wireless cash registers in Malaysia. These cash registers located outside the Jaya Jusco store in the Mid Valley shopping centre, are used for temporary promotions. Having the wireless feature allows Jaya Jusco to quickly and easily move the cash register for more convenience to the customers. Also at the Mid Valley store, Jaya Jusco is piloting handheld scanners. These scanners will be used to initially check merchandise prices. The barcode on the items will be scanned and the price displayed will indicate the selling price at the cash register. This is a way for Jaya Jusco to ensure correct pricing at all their stores.

Handheld price checker.

Jusco Online



E-shopping with JUSCO.

In this past year Jaya Jusco has entered into the cyberworld. In November 1999, Jaya Jusco started their own homepage, jusco.com.my. This homepage includes corporate and store promotions. It is now easier for customers to find out what is happening in Jaya Jusco. Also available on the homepage is J-card information. J-card members can find out their rebate and accumulated points online. Jaya Jusco has also entered into e-tailing, a term used for retailing over internet. Jaya Jusco was part of the Secured Electronic Transaction (SET) pilot in Malaysia. Jaya Jusco was one of 2 retailers chosen to participate in this pilot. SET is a safer method for customers to buy over internet, requiring digital certificates for authentication. The SET pilot project was officially launched in March of 1999 and now has several hundred Malaysian retail sites.

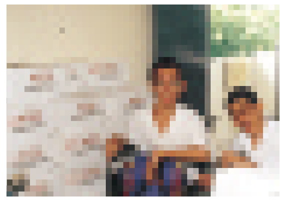
Jaya Jusco has always believed IT plays a large role in any company's success. Jaya Jusco will continue to try new technologies to improve operations or add value to their customers.

Corporate Citizenship Activities

Presenting the awards at the AEON Exchange Exhibition of children's ECO-Picture.

During the year, JUSCO's management and staff participated in several charity events. The year 2000 began with a visit to a home for the aged during Chinese New Year. In March 1999, the AEON Exchange Exhibition of Children's Eco-Pictures in the Asian Countries was held. On behalf of the AEON Group, JUSCO invited 12 schools from Wilayah Persekutuan, Selangor, Ipoh and Melaka to participate in the exhibition. The response was overwhelming as over 200 drawings were received. From these, 30 were selected and sent to Japan and eventually 3 of these drawings were awarded certificates.

Chinese New Year goodies for the elderly at a Home for the Aged in Ampang.



Mineral water to quench the thirst at the Annual Charity Walk/Jog/Wheel-A-Thon.

The 3 best children's ECO-Pictures which were awarded certificates.

For the handicapped, JUSCO donated 2000 bottles of mineral water to the Spastic Children's Association of Selangor and the Federal Territory in conjunction with the 6th Annual Charity Walk/Jog/Wheel-A-Thon. The event was held at Dataran Merdeka and involved participants from various NGOs.

Hello Kitty greets the little ones at HUKM, Selangor.

In September 1999, 30 children from the Kiwanis Down Syndrome Centre were treated to the launch of the Sanrio show and had the opportunity to meet "Florence The Flower Fairy". In the same month, JUSCO organised a visit by the popular Hello Kitty character to 75 cancer patients at the Paediatric Ward of HUKM, Selangor.

The Christmas project was called "Love of X'mas", where JUSCO's customers were invited to purchase a gift for any of the children whose photographs were hung from the Giant Christmas tree. A total of 1000 gifts were received and presented to children from orphanages and homes for the underprivileged.

Spreading a little cheer during the Christmas project.

FINANCIAL STATEMENT

DIRECTORS' REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2000

The directors have pleasure in submitting their report and the audited accounts of the Company for the year ended 29 February 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remain unchanged and consist of the operation of a chain of superstores selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation.

The principal activity of the subsidiary company is set out in note 4 to the accounts.

RESULTS	RM
Profit for the year before taxation and exceptional items	51,725,489
Add: Exceptional Items	4,322,744
	56,048,233
Less: Taxation	(17,500,000)
Profit after taxation and exceptional items	38,548,233
Unappropriated profits brought forward	59,201,252
	97,749,485
Appropriation:	
Proposed first and final dividend of 20% less 28% tax	(8,424,000)
Transfer from revaluation reserve	1,759,591
Unappropriated profits carried forward	91,085,076

DIVIDENDS

Since the end of the previous financial year, the Company made the payment of a first and final dividend of 27.7% less 28% income tax in respect of the year ended 28 February 1999 amounting to RM11,700,000 which was paid on 4 August 1999.

The directors recommend the payment of a first and final dividend of 20% less 28% income tax amounting to RM8,424,000 in respect of the financial year ended 29 February 2000.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the accounts.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:-

Dato' Abdullah bin Mohd. Yusof
Takuya Okada
Tan Sri Dato' Seri Halim bin Saad
Akihito Tanaka
Motoya Okada
Masaaki Toyoshima
Tan Sri Datuk Dr. Kazumasa Suzuki
Kamarudin bin Abu Hassan
Ramli bin Ibrahim
Yoichi Kimura (appointed on 18.6.1999)
Kozo Murata (alternate director to Takuya Okada; appointed on 18.6.1999)
Eiji Akiyama (resigned on 18.6.1999)
Nobuyasu Miyake (alternate director to Takuya Okada; resigned on 18.6.1999)

The directors' holding office at the end of the financial year who have an interest in the shares of the Company are as follows:-

	Number of Ordinary Shares of RM1 each			
Name	Balance at 1.3.1999	Acquired	Sold	Balance at 29.2.2000
Direct interest				
Dato' Abdullah bin Mohd. Yusof	1,230,000	-	(150,000)	1,080,000
Takuya Okada	400,000	-	-	400,000
Akihito Tanaka	100,000	-	-	100,000
Motoya Okada	50,000	-	-	50,000
Masaaki Toyoshima	79,000	-	(10,000)	69,000
Kamarudin bin Abu Hassan	10,000	-	-	10,000
Indirect interest				
Dato' Abdullah bin Mohd. Yusof	8,075,000	-	-	8,075,000
Ramli bin Ibrahim	100,000	-	-	100,000

None of the other directors who held office at the end of the year held or dealt in the shares of the Company during the financial year.

In accordance with Article 80 of the Company's Articles of Association, all directors, except for Masaaki Toyoshima being the Managing Director of the Company, shall retire from the Board at the Annual General Meeting and are eligible for re-election. However, Tan Sri Dato' Seri Halim bin Saad has indicated that he does not wish to seek re-election.

In accordance with Section 129(2) of the Companies Act, 1965, Takuya Okada retires, having attained the age of over 70 years and will not seek re-election under the provision of Section 129(6) of the Act.

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 fees and emoluments received or due and receivable by directors as shown in the accounts) 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 except for certain directors who may be deemed to derive a benefit by virtue of those transactions, advisory services and tenancy between the Company and its related companies with corporations in which the directors are deemed to have interest.

There were no arrangements during and at the end of the year which had the object of enabling 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.

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the year, the Company:-

a) disposed a piece of leasehold land together with a twelve (12) storey commercial/ office building erected thereon, located at Wangsa Maju for a total cash consideration of RM27 million. The relevant regulatory approvals have been obtained. Upon completion of the transaction, the Company recognised a net gain of disposal of RM9.67 million.

b) opened a new store as one of the anchor tenants in Mid Valley - The Megamall, Kuala Lumpur.

OTHER STATUTORY INFORMATION

Before the accounts of the Company were made out, the Directors took reasonable steps to ascertain that:

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

ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the accounts of the Company inadequate to any substantial extent, or

ii) that would render the values attributed to the current assets in the accounts of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the accounts, that would render any amount stated in the accounts misleading.

At the date of this report there does not exist:

i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable, or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors the results of the operations of the Company for the financial year ended 29 February 2000 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG Desa Megat & Co, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors:

Director

DATO' ABDULLAH BIN MOHD. YUSOF

Director

MASAAKI TOYOSHIMA

Kuala Lumpur,

Date: 24 April 2000

BALANCE SHEET

AT 29 FEBRUARY 2000

	Note	2000	1999
		RM	RM
FIXED ASSETS	3	447,453,752	445,191,264
INTEREST IN A SUBSIDIARY COMPANY	4	-	8,012
INVESTMENTS - UNQUOTED	5	175,209	175,209
CURRENT ASSETS			
Stocks	6	69,885,708	56,566,072
Trade debtors	7	9,021,072	12,599,424
Other debtors, deposits and prepayments	8	17,282,557	13,648,399
Short term deposits	9	3,000,000	12,700,000
Cash and bank balances		5,478,275	6,884,221
		104,667,612	102,398,116
LESS: CURRENT LIABILITIES			
Trade creditors		105,494,464	76,449,018
Sundry creditors and accruals	10	54,078,013	52,693,052
Amount due to an affiliated company	11	262,227	1,205,043
Bank overdrafts - unsecured	12	348,099	97,924
Term loans	13	39,859,948	39,933,790
Provision for taxation		18,929,053	21,745,469
Proposed dividend		8,424,000	11,700,000
		227,395,804	203,824,296
Net Current Liabilities		(122,728,192)	(101,426,180)
DEFERRED EXPENDITURE	14	2,707,548	2,369,728
		327,608,317	346,318,033
Financed by:-			
SHARE CAPITAL	15	58,500,000	58,500,000
SHARE PREMIUM		58,385,520	58,385,520
REVALUATION RESERVE	16	55,351,892	57,111,483
UNAPPROPRIATED PROFITS		91,085,076	59,201,252
SHAREHOLDERS' FUNDS		263,322,488	233,198,255
TERM LOANS	13	60,259,829	107,719,778
DEFERRED TAXATION	17	4,026,000	5,400,000
		327,608,317	346,318,033

The notes set out on pages 35 to 46 form an integral part of, and should be read in conjunction with, these accounts.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 FEBRUARY 2000

	Note	2000	1999
		RM	RM
Turnover	18	804,214,215	679,710,295
Profit for the year before taxation and exceptional items	19	51,725,489	40,113,278
Add: Exceptional items	20	4,322,744	-
Profit before taxation but after exceptional items		56,048,233	40,113,278
Less: Taxation	21	(17,500,000)	(233,000)
Profit after taxation and exceptional items		38,548,233	39,880,278
Unappropriated profits brought forward		59,201,252	31,020,974
Profits available for appropriation		97,749,485	70,901,252
Appropriation:			
Dividends	22	(8,424,000)	(11,700,000)
Transfer from revaluation reserve		1,759,591	-
Unappropriated profits carried forward		91,085,076	59,201,252
Earnings per share (sen)	23	65.9	68.2

The notes set out on pages 35 to 46 form an integral part of, and should be read in conjunction with, these accounts.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation but after exceptional items	56,048,233	40,113,278
Adjustments for items not involving the movement of working capital:		
Deferred expenditure written off	127,332	-
Deferred expenditure amortised	1,318,096	1,740,557
Depreciation	22,761,265	19,803,325
Fixed assets written off	968,332	369,118
Construction project written off	5,346,112	-
(Gain)/Loss on disposal of fixed assets	(9,598,627)	194,743
Interest expenses	8,495,940	10,606,844
Interest income	(822,958)	(1,221,346)
Interest in a subsidiary company written off	2	-
Loss/(Gain) on foreign exchange	47,408	(162,209)
Amount due from a subsidiary company written off	8,010	-
Operating profit before working capital changes	84,699,145	71,444,310
(Increase)/Decrease in working capital:		
Stocks	(13,319,636)	2,933,835
Receivables	(55,806)	(7,343,513)
Payables	30,342,230	16,681,293
Amount due to an affiliated company	(942,816)	(367,085)
Cash generated from operations	100,723,117	83,348,840
Tax paid	(21,690,415)	(13,078,480)
Net cash generated from operating activities	79,032,702	70,270,360
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred expenditure incurred	(1,783,248)	-
Interest received	822,958	1,221,346
Proceeds from disposal of fixed assets	28,999,387	137,432
Purchase of fixed assets	(50,738,957)	(49,733,971)
Net cash used in investing activities	(22,699,860)	(48,375,193)

	2000 RM	1999 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(11,700,000)	(3,790,800)
Interest paid	(8,407,764)	(10,379,129)
Repayment of loans	(47,581,199)	(3,154,044)
Net cash used in financing activities	(67,688,963)	(17,323,973)
Net (decrease)/increase in cash and cash equivalents	(11,356,121)	4,571,194
Cash and cash equivalents at beginning of year	19,486,297	14,915,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,130,176	19,486,297

CASH AND CASH EQUIVALENTS COMPRISE:-

	2000 RM	1999 RM
Short term deposits	3,000,000	12,700,000
Cash and bank balances	5,478,275	6,884,221
Bank overdrafts	(348,099)	(97,924)
	8,130,176	19,486,297

The notes set out on pages 35 to 46 form an integral part of, and should be read in conjunction with, these accounts.

NOTES TO THE ACCOUNTS

29 FEBRUARY 2000

1. PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remain unchanged and consist of the operation of a chain of superstores selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation.

The principal activity of the subsidiary company is set out in note 4 to the accounts.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings, in compliance with approved accounting standards in Malaysia and on a going concern basis. The validity of the going concern assumption is dependent upon the continuous financial support from the bankers to address the Company's obligations in the foreseeable future.

At the time of this report, there was no reason for the Directors to believe that the bankers will not continue their support. Accordingly, the accounts do not include any adjustments relating to recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary if the Company were to be unable to continue as a going concern.

2.2 Fixed Assets and Depreciation

Certain leasehold land and buildings are stated at directors' valuation based on independent professional valuers' reports. Freehold land and construction work-in-progress are not depreciated. Long term leasehold land is amortised over a period of 93-99 years while all other assets are depreciated using the straight line method so as to write off the cost of the assets over their estimated useful lives at the following annual rates:-

Buildings	2% - 5%
Structures	5%
Office equipment	10%
Machinery and equipment	10% - 20%
Furnitures, fixtures and fittings	20%
Motor vehicles	20%
IT equipment	20%

2.3 Investments

Investments are held for long term purposes and are stated at cost less provision for diminution in value where, in the opinion of the directors, such diminution is permanent in nature.

2.4 Stocks

Stocks are stated at the lower of cost and market value.

Cost comprises the weighted average cost of merchandise derived at by using the Retail Inventory Method. Weighted average cost includes related charges incurred in purchasing such merchandise.

2.5 Deferred Expenditure

Deferred expenditure primarily consists of administration and other general overhead expenses directly attributable to the start-up of stores or outlets and other expenses incurred prior to the opening of the stores. This is amortised in equal instalments over four years from the opening of the stores.

2.6 Affiliated Company

An affiliated company is a company that holds a long term equity interest of 20% to 50% in the Company.

2.7 Foreign Currency Translation

Transactions in foreign currencies are translated at exchange rates approximating to those ruling at the transaction dates. Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the Profit and Loss Account.

2.8 Deferred Taxation

Deferred taxation is provided using the liability method on timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

2.9 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

3. FIXED ASSETS

Cost/Valuation	Balance at 1.3.1999	Addition	(Disposal/ Write Off)	Transfer in/(out)	Balance at 29.2.2000
	RM	RM	RM	RM	RM
Freehold land at cost	20,419,262	-	-	-	20,419,262
Leasehold land at valuation	64,608,957	-	(3,847,953)	-	60,761,004
Buildings at valuation	126,435,875	-	-	-	126,435,875
Leasehold land at cost	18,891,139	-	-	-	18,891,139
Buildings at cost	168,503,579	-	(13,863,767)	-	154,639,812
Structures	11,788,233	10,512,572	(268,978)	409,997	22,441,824
Office equipment	5,241,007	824,476	(40,748)	-	6,024,735
Machinery and equipment	36,617,364	16,685,183	(670,197)	531,954	53,164,304
Furnitures, fixtures and fittings	50,483,734	6,375,577	(407,065)	32,994	56,485,240
Motor vehicles	2,903,189	172,928	-	-	3,076,117
IT equipment	5,234,339	2,683,080	(2,800)	-	7,914,619
Construction work-in-progress	11,682,128	13,485,141	(8,508,832)	(974,945)	15,683,492
	522,808,806	50,738,957	(27,610,340)	-	545,937,423

Accumulated Depreciation	Balance at 1.3.1999	Charge for the year	(Disposal/ Write Off)	Transfer in/(out)	Balance at 29.2.2000
	RM	RM	RM	RM	RM
Leasehold land at valuation	3,255,230	620,269	(217,047)	-	3,658,452
Buildings at valuation	12,870,116	2,528,716	-	-	15,398,832
Leasehold land at cost	651,938	190,801	-	-	842,739
Buildings at cost	14,811,198	3,516,785	(1,099,217)	-	17,228,766
Structures	1,487,156	768,643	(38,827)	-	2,216,972
Office equipment	2,190,935	537,198	(18,754)	-	2,709,379
Machinery and equipment	11,734,608	3,985,571	(264,771)	-	15,455,408
Furnitures, fixtures and fittings	27,970,304	8,843,158	(256,474)	-	36,556,988
Motor vehicles	1,418,639	532,196	-	-	1,950,835
IT equipment	1,227,418	1,237,928	(46)	-	2,465,300
	77,617,542	22,761,265	(1,895,136)	-	98,483,671

	Net book value 2000	Net book value 1999	Depreciation 1999
	RM	RM	RM
Freehold land at cost	20,419,262	20,419,262	-
Leasehold land at valuation	57,102,552	61,353,727	652,550
Buildings at valuation	111,037,043	113,565,759	2,051,581
Leasehold land at cost	18,048,400	18,239,201	174,900
Buildings at cost	137,411,046	153,692,381	3,747,399
Structure	20,224,852	10,301,077	542,032
Office equipment	3,315,356	3,050,072	518,091
Machinery and equipment	37,708,896	24,882,756	3,411,187
Furnitures, fixtures and fittings	19,928,252	22,513,430	7,328,047
Motor vehicles	1,125,282	1,484,550	525,750
IT equipment	5,449,319	4,006,921	851,788
Construction work-in-progress	15,683,492	11,682,128	-
	447,453,752	445,191,264	19,803,325

One of the buildings of the Company is situated on land belonging to a third party. The title deed of a freehold land on which one of the Company's buildings is situated is still in the process of being transferred to the Company.

The leasehold land and buildings were revalued by the directors based on a professional valuation carried out by an independent firm of valuers in February 1995 using the open market value and on an existing use basis. The Company is following the transitional provisions to International Accounting Standard No. 16. Property, Plant and Equipment as approved by the Malaysian Accounting Standards Board (MASB). The transitional provisions allow the Company to retain the carrying amounts of the revalued assets on the basis of their previous revaluations subject to continuity in their depreciation policy and the requirement to write an asset down to its recoverable amount. Accordingly, the above valuations have not been updated.

The net book value of the leasehold land and buildings at valuation had these assets been carried at cost are RM10,202,029 (1999 - RM12,237,722) and RM102,102,962 (1999 - RM104,419,673) respectively.

JAYA JUSCO STORES BHD (126926-H)

4. INTEREST IN A SUBSIDIARY COMPANY

	2000 RM	1999 RM
Investment in a subsidiary company, at cost	-	2
Amount due from a subsidiary company	-	8,010
	-	8,012

Details of the subsidiary company are as follows:-

Name	Country of incorporation	Percentage holding 2000	Percentage holding 1999	Principal activity
Mini Stop (M) Sdn. Bhd.	Malaysia	100%	100%	Dormant

The directors of the subsidiary company have made an application to the Registrar of Companies to strike off the name of the subsidiary company.

Accordingly, the amount due from the subsidiary company and the investment in the said company have been written off.

The amount due from the subsidiary company in the previous year was non-trade in nature, unsecured, interest free and had no fixed terms of repayment.

5. INVESTMENTS - UNQUOTED

	2000 RM	1999 RM
Golf membership	45,209	45,209
Equity investment	130,000	130,000
	175,209	175,209

6. STOCKS

	2000 RM	1999 RM
Retail merchandise	53,601,298	44,945,039
Food and others	16,284,410	11,621,033
	69,885,708	56,566,072

7. TRADE DEBTORS

	2000 RM	1999 RM
Trade debtors	9,485,206	13,714,428
Less: Provision for doubtful debts	(464,134)	(1,115,004)
	9,021,072	12,599,424

Included in trade debtors are amounts of RM1,481,328 (1999 - RM1,413,224) due from Companies with common directors.

Trade debtors amounting to RM882,010 (1999 - Nil) have been written off against the provision for doubtful debts during the year.

8. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Included in other debtors are amounts of RM181,241 (1999 - RM153,381) due from Companies with common directors.

9. SHORT TERM DEPOSITS

	2000 RM	1999 RM
Deposit with licensed banks	-	2,900,000
Deposit with other corporations	3,000,000	9,800,000
	3,000,000	12,700,000

10. SUNDRY CREDITORS AND ACCRUALS

Included in sundry creditors and accruals is an amount of RM23,076,041 (1999-RM21,654,204) being rental and utilities deposits received from shopping centre tenants.

11. AMOUNT DUE TO AN AFFILIATED COMPANY

The affiliated company is Jusco Co. Ltd., a company incorporated in Japan. The amount due to an affiliated company is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

12. BANK OVERDRAFTS - UNSECURED

The interest on bank overdrafts are charged at rates ranging from 0.5% to 0.75% (1999 - 0.5% to 0.75%) per annum above the lender banks' base lending rates.

13. TERM LOANS

Term loans are repayable over the following years:

	2000	1999
	RM	RM
Within one year	39,859,948	39,933,790
Between one and two years	54,144,741	65,563,148
Between two and five years	6,115,088	42,156,630
	60,259,829	107,719,778
	100,119,777	147,653,568

The term loans are all denominated in United States Dollar, unsecured and are subject to interest ranging from 0.34% to 0.75% above the prevailing Singapore inter bank offered rates or cost of funds of the lender banks where applicable.

14. DEFERRED EXPENDITURE

	2000	1999
	RM	RM
Balance at 1 March	2,369,728	4,110,285
Add: Additions	1,783,248	-
	4,152,976	4,110,285
Less: Amortisation during the year	(1,318,096)	(1,740,557)
	2,834,880	2,369,728
Less: Written off	(127,332)	-
Balance at 29 February	2,707,548	2,369,728

15. SHARE CAPITAL

	2000	1999
	RM	RM
Ordinary shares of RM1 each:		
Authorised	100,000,000	100,000,000
Issued and fully paid	58,500,000	58,500,000

16. REVALUATION RESERVE

	2000	1999
	RM	RM
Balance at 1 March	57,111,483	57,111,483
Reserve realised on sale of fixed assets transferred to Profit and Loss Account	(1,759,591)	-
Balance at 29 February	55,351,892	57,111,483

17. DEFERRED TAXATION

	2000	1999
	RM	RM
Balance at 1 March	5,400,000	5,400,000
Transfer from profit and loss account (Note 21)	(1,374,000)	-
Balance at 29 February	4,026,000	5,400,000

The deferred taxation is mainly due to timing differences between capital allowances and depreciation of fixed assets.

18. TURNOVER

Turnover of the Company represents gross trading sales, including concessionaires less returns and discounts. It also includes rental income and management fee earned from its shopping centre operation.

19. PROFIT BEFORE TAXATION

	2000 RM	1999 RM
Profit before taxation is arrived at:		
After charging:-		
Audit fee	95,000	90,000
Depreciation	22,761,265	19,803,325
Deferred expenditure amortised	1,318,096	1,740,557
Deferred expenditure written off	127,332	-
Directors' emoluments		
- salaries	728,350	634,076
- fees	780,000	880,000
Fixed assets written off	968,332	369,118
Interest expense		
- term loans	8,473,098	10,549,204
- overdrafts	22,842	57,640
Interest in a subsidiary company written off	2	-
Amount due from a subsidiary company written off	8,010	-
Loss on disposal of fixed assets	70,229	194,743
Loss on foreign exchange - realised	47,408	32,072
Provision for doubtful debts	240,000	117,404
Rental		
- land	486,216	403,716
- buildings	18,348,055	16,109,398
- motor vehicles	2,481,266	2,601,817
- equipment	543,616	551,619
- fixtures and fittings	220,436	212,153
Royalties	6,439,212	3,742,242
And crediting:-		
Bad debts recovered	8,860	-
Gain on foreign exchange - unrealised	-	194,281
Interest income	822,958	1,221,346
Management fees	159,408	138,339
Rental income on building	50,102,295	55,810,765

20. EXCEPTIONAL ITEMS

	2000 RM	1999 RM
Gain on disposal of a leasehold land and building (net of Real Property Gain Tax)	9,668,856	-
Construction project written off	(5,346,112)	-
	4,322,744	-

21. TAXATION

	2000 RM	1999 RM
Current year's taxation	18,106,000	233,000
Underprovision in prior year	768,000	-
Deferred taxation (Note 17)	(1,374,000)	-
	17,500,000	233,000

The effective tax rate is higher than the statutory tax rate due to certain expenses which are disallowed for tax purposes.

The effective tax rate of the Company in the previous year was lower than the statutory rate in view of the tax waiver for 1999 which was gazetted in the Income Tax (Amendment) Act 1999 on 8 July 1999. The previous year taxation charge related only to interest income.

22. DIVIDENDS

	2000 RM	1999 RM
Proposed first and final dividend of 20% less 28% tax (1999 - 27.7% less 28% tax)	8,424,000	11,700,000

23. EARNINGS PER SHARE

The earnings per share has been calculated based on the profit after taxation of RM38,548,233 (1999 - RM39,880,278) and on the number of ordinary shares in issue during the year of 58,500,000 (1999 - 58,500,000).

24. SECTION 108 TAX CREDIT AND TAX EXEMPT INCOME

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income relating to the tax waiver to distribute all of its distributable reserves as dividends as at 29 February 2000 without any additional tax liability.

25. DIRECTORS' BENEFIT-IN-KIND

The estimated monetary value of other benefits not included in salaries and other emoluments received by the directors of the Company is RM21,000 (1999 - RM21,000).

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2000 RM	1999 RM
Director related companies		
- management fees receivable	(159,408)	(138,339)
- rental income receivable	(317,700)	(317,700)
Affiliated company :		
- royalties payable	6,439,212	3,742,242
A firm in which a director is a partner :		
- professional fees paid	51,177	12,194
A company in which a director has substantial interest :		
- rental income receivable	(934,200)	(1,072,115)

A credit company which has certain common directors with the Company, facilitates sales amounting to RM6,693,686 (1999 - RM6,608,398) through easy payment scheme. These common directors are deemed to derive a benefit to the extent of these transactions.

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

27. CAPITAL COMMITMENTS

	2000 RM	1999 RM
Authorised capital expenditure not provided for in the accounts:		
Approved and contracted for	47,677,330	167,873,530
Approved but not contracted for	19,353,255	119,974,189
	67,030,585	287,847,719

28. LEASE COMMITMENTS

	2000 RM	1999 RM
In respect of land and buildings:-		
Payable within one year	21,507,958	18,777,838
Payable after one year	385,323,437	486,321,308
	406,831,395	505,099,146

29. SEGMENTAL REPORTING

Analysis by activity:	Turnover RM	Profit before taxation RM	Gross assets employed RM
2000			
Retailing	732,778,906	36,339,746	263,463,966
Property management services	71,435,309	15,385,743	291,540,155
Others	-	4,322,744	-
	804,214,215	56,048,233	555,004,121
1999			
Retailing	606,956,277	25,343,362	229,421,557
Property management services	72,754,018	14,769,916	320,720,772
	679,710,295	40,113,278	550,142,329

Others relate to the exceptional items as disclosed in Note 20 to the accounts.

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the year, the Company:-

a) disposed a piece of leasehold land together with a twelve (12) storey commercial/office building erected thereon, located at Wangsa Maju for a total cash consideration of RM27 million. The relevant regulatory approvals have been obtained. Upon completion of the transaction, the Company recognised a net gain on disposal of RM9.67 million.

b) opened a new store as one of the anchor tenants in Mid Valley - The Megamall, Kuala Lumpur.

STATEMENT BY DIRECTORS

We, DATO' ABDULLAH BIN MOHD. YUSOF and MASAAKI TOYOSHIMA, being two of the directors of JAYA JUSCO STORES BHD., do hereby state on behalf of the directors that in our opinion, the accounts set out on pages 31 to 46 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 29 February 2000 and of the results and cash flows of the Company for the year ended on that date.

On behalf of the Board,

Director
DATO' ABDULLAH BIN MOHD. YUSOF

Director
MASAAKI TOYOSHIMA

Kuala Lumpur,
Date: 24 April 2000

STATUTORY DECLARATION

I, Masaaki Toyoshima, being the director primarily responsible for the financial management of JAYA JUSCO STORES BHD., do solemnly and sincerely declare that the accounts set out on pages 31 to 46, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

MASAAKI TOYOSHIMA at KUALA LUMPUR

in the FEDERAL TERRITORY this 24 day of April 2000.

BEFORE ME:

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts set out on pages 31 to 46. The preparation of the accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the accounts. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the accounts which have been prepared under the historical cost convention, as modified by the revaluation of certain assets, are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

i) the state of affairs of the Company at 29 February 2000 and its results and cash flows for the year ended on that date; and

ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Company; and

b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

We draw attention to Note 2.2.1 to the accounts. In forming our opinion, we have considered the adequacy of the disclosures to the accounts regarding the appropriateness of using the going concern basis for the preparation of accounts, which is dependent upon the continuous financial support from the bankers to address the Company's obligation in the foreseeable future.

At the time of this report, there is no reason for the Directors to believe that the bankers will not continue their support. Accordingly, the accounts do not include any adjustments relating to recoverability and classification of recorded assets amounts and classification of liabilities that may be necessary if the Company were to be unable to continue as a going concern.

KPMG DESA MEGAT & CO
Firm Number: AF 0759
Public Accountants

DATO' AB. HALIM MOHYIDDIN
Partner
Approval Number: 1138/03/02(J/PH)

Kuala Lumpur,
Date: 24 April 2000

PARTICULARS OF PROPERTIES

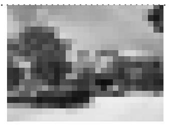
Details of the Jaya Jusco Store's properties as at 29 February 2000 are set out below:

Location	Description/ Existing use	Land/ Built-up area (sq ft)	Approx. age of building (years)	Tenure (Year of expiry for leasehold)	Net book value as at 29/2/2000 (RM)
Lot 7041, Mukim of Bukit Baru, District of Melaka Tengah, Melaka.	Leasehold commercial land/	436,036/		99 years expiring on 19.12.2089	67,370,674
	Existing two-storey shopping complex	200,316	8		
	Extension/Renovation	179,986	$1^1/_2$		
Lot 23551, Mukim of Setapak, District and State of Wilayah Persekutuan.	Leasehold commercial land/ Two-storey shopping complex and two-storey car park	368,516/ 666,694	7	95 years expiring on 28.03.2085	100,768,919
Lot PT 21441, Mukim of Kapar, District of Klang, Selangor.	Leasehold commercial land/ Two-storey shopping complex and one-storey car park	643,753/ 643,021	4	99 years expiring on 09.05.2093	77,054,433
Lot 51105, Mukim of Ulu Kinta, District of Kinta, Perak	Freehold land/ Two-storey shopping complex and two storey car park	609,840/ 794,806	3	Freehold	91,316,419

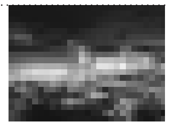
Jaya Jusco Directory

STORES

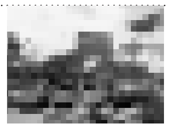
JAYA JUSCO Taman Maluri
Jalan Jejaka, Taman Maluri, Cheras, 55100 Kuala Lumpur.



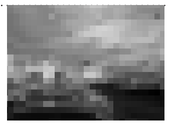
JAYA JUSCO Bandar Utama
No. 1, Lebuh Bandar Utama, Bandar Utama, 47800 Petaling Jaya,
Selangor Darul Ehsan.



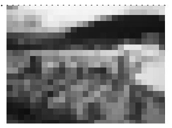
JAYA JUSCO Melaka
Mukim Bukit Baru, Daerah Melaka Tengah, 75450 Melaka.



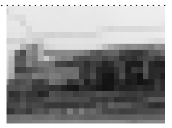
JAYA JUSCO Bandar Baru Klang
Persiaran Bukit Raja 2, Bandar Baru Klang, 41150 Klang,
Selangor Darul Ehsan.



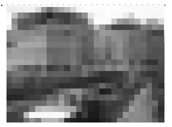
JAYA JUSCO Wangsa Maju
Jalan R1, Seksyen 1, Bandar Baru Wangsa Maju,
53300 Kuala Lumpur.



JAYA JUSCO Ipoh
No.2, Jalan Teh Lean Swee, Off Jalan Sultan Azlan Shah Utara,
31400 Ipoh, Perak Darul Ridzuan.



JAYA JUSCO Mid Valley
1st Floor, Jaya Jusco Mid Valley, AT3 Mid Valley Megamall, Mid
Valley City, 58000 Kuala Lumpur



SHOPPING CENTRES (ADDRESSES AS ABOVE)

ALPHA ANGLE SHOPPING CENTRE
Wangsa Maju

KINTA CITY SHOPPING CENTRE
Ipoh

1-UTAMA SHOPPING CENTRE
Bandar Utama

BUKIT RAJA SHOPPING CENTRE
Bandar Baru Klang

JAYA JUSCO MELAKA SHOPPING CENTRE
Melaka

Highlight of The Year

Officiating at the Jusco Mid Valley opening on 22 December 1999 are Yang Berbahagia Tan Sri Dato' Kamaruzzaman Shariff, Datuk Bandar Kuala Lumpur (right) and Jusco Japan's Chairman & CEO Mr. Takuya Okada. Looking on are Jusco Mid Valley Store Manager, Ms. Mary Chew and Jaya Jusco Stores Bhd Chairman Dato' Abdullah bin Mohd Yusof.

MILESTONES

1984 JAYA JUSCO STORES SDN. BHD. established, in response to a request from Prime Minister Y.A.B. Dato' Seri Dr Mahathir bin Mohamad, to help modernise the retailing industry in Malaysia.

1985 JUNE
The first pilot store, JAYA JUSCO Dayabumi, opened.

DECEMBER
The second pilot store, JAYA JUSCO Taman Tun, opened.

1989 JUNE
JAYA JUSCO Dayabumi closed.

OCTOBER
The first Superstore, JAYA JUSCO Taman Maluri, opened.

1990 JUNE
"Management Trainee Programme" in Japan begun.

NOVEMBER
28 Malaysian students invited to Japan as "Ambassadors" through the AEON "1% Club" Programme.

1991 OCTOBER
JAYA JUSCO Melaka was opened and fully operated by Malaysian staff only. The AEON Group's "Hometown Forest" programme was launched simultaneously at the inauguration of JAYA JUSCO Melaka.

1992 APRIL
JAYA JUSCO Wangsa Maju (Alpha Angle Shopping Centre) our first Shopping Centre, opened.

1994 AUGUST
Our Distribution Centre begun operations.

OCTOBER
Japanese Trainer Programme begun.

1995 JUNE
JAYA JUSCO Taman Tun closed.

AUGUST
JAYA JUSCO Bandar Utama (1-Utama Shopping Centre) opened.

OCTOBER
JAYA JUSCO Bandar Baru Klang (Bukit Raja Shopping Centre) opened.

1996 DECEMBER
JAYA JUSCO STORES BHD was listed on the main board of the KLSE.

1997 AUGUST
JAYA JUSCO Ipoh (Kinta City Shopping Centre) opened.

1998 DECEMBER
JAYA JUSCO Melaka Shopping Centre opened.

1999 DECEMBER
JAYA JUSCO Mid Valley opened.

ANALYSIS OF SHAREHOLDINGS

Analysis of shareholdings as at 24th April, 2000

Authorised Share Capital	:	RM100,000,000
Paid-up Share Capital	:	RM58,500,000
Class of Shares	:	Ordinary Share of RM1 each
Voting Rights	:	1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 499	12	0.9434	700	0.0012
500 - 5,000	1080	84.9057	1,727,300	2.9526
5,001 - 10,000	57	4.4811	487,000	0.8325
10,001 - 100,000	86	6.7610	3,307,000	5.6530
100,001 - 1,000,000	29	2.2799	8,737,000	14.9350
Above 1,000,000	8	0.6289	44,241,000	75.6256
Total	1272	100.000	58,500,000	100.0000

Substantial shareholders as at 24th April, 2000

No.	Name	No. of shares held	% of shares
1.	Jusco Co., Ltd.	24,825,000	42.4359
2.	Dato' Abdullah bin Mohd Yusof	*9,104,000	15.5624
3.	Pelita Dekad Sdn Bhd	6,275,000	10.7265
4.	Permodalan Nasional Berhad	3,999,000	6.8359
5.	Sulington Limited	2,320,000	3.9658
6.	Picarda Holdings Sdn Bhd	2,187,000	3.7385

* Includes deemed interest in the shares by virtue of Section 6A(4)(c) of the Companies Act, 1965

LIST OF 20 LARGEST SHAREHOLDERS

Top Twenty Shareholders as at 24th April, 2000

No.	Name	No. of shares held	% of Shares
1.	Jusco Co., Ltd.	24,825,000	42.4359
2.	Pelita Dekad Sdn Bhd	6,275,000	10.7265
3.	Permodalan Nasional Berhad	3,999,000	6.8359
4.	Sulington Limited	2,320,000	3.9658
5.	Picarda Holdings Sdn Bhd	2,187,000	3.7385
6.	BOC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Status Resources Sdn Bhd	1,787,000	3.0547
7.	Cartaban Nominees (Asing) Sdn Bhd Bermuda Trust (Singapore) Limited For Arisaig Asian Small Companies Fund Ltd	1,649,000	2.8188
8.	Syarikat Maluri Sdn Bhd	1,199,000	2.0496
9.	BOC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Abdullah Mohd Yusof	837,000	1.4308
10.	Southern Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mountbright Holding Sdn Bhd	653,000	1.1162
11.	MCIS Insurance Berhad	484,000	0.8274
12.	Rozilawati Binti Haji Basir	450,000	0.7692
13.	Rozana Zeti Binti Basir	450,000	0.7692
14.	Roshayati Binti Basir	450,000	0.7692
15.	John Hancock Life Insurance (Malaysia) Berhad	415,000	0.7094
16.	Selidik Jaya Sdn Bhd	408,000	0.6974
17.	Takuya Okada	400,000	0.6838
18.	Amanah Raya Berhad Arab-Malaysian First Fund	395,000	0.6752
19.	Arab Malaysian Assurance Berhad	331,000	0.5658
20.	BHLB Trustee Berhad TA Balanced Fund	320,000	0.5470
	Total	49,834,000	85.1863

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of JAYA JUSCO Stores Bhd will be held at Level 2, Junior Ballroom 1, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 16 June 2000 at 10.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Accounts for the year ended 29 February 2000 together with the Reports of the Directors and Auditors thereon. Ordinary Resolution 1
2. To declare a first and final dividend of 20% per share less 28% income tax for the year ended 29 February 2000. Ordinary Resolution 2
3. To approve the payment of Directors' Fees. Ordinary Resolution 3
4. To re-elect the following Directors retiring under Article 80 of the Company's Articles of Association :-

   i) Dato' Abdullah bin Mohd Yusof — Ordinary Resolution 4

   ii) Mr Motoya Okada — Ordinary Resolution 5

   iii) Mr Akihito Tanaka — Ordinary Resolution 6

   iv) Encik Ramli bin Ibrahim — Ordinary Resolution 7

   v) YBhg Tan Sri Datuk (Dr) Kazumasa Suzuki — Ordinary Resolution 8

   vi) Encik Kamarudin bin Abu Hassan — Ordinary Resolution 9

   vii) Mr Yoichi Kimura — Ordinary Resolution 10
5. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 11

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifteenth Annual General Meeting, a first and final dividend of 20% per share less 28% income tax in respect of the financial year ended 29 February 2000 will be paid to shareholders on 20 July 2000. The entitlement date for the said dividend shall be 5 July 2000.

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

a) Shares transferred to the Depositor's securities account before 12.30 p.m. on 5 July 2000 in respect of ordinary transfers;

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

NG LEE CHUM (MAICSA 7003990)
Secretary

Kuala Lumpur
Date: 31 May 2000

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Act are complied with.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 4th Floor, Menara Kausar, Jalan 3/27A, Seksyen 1, Bandar Baru Wangsa Maju, 53300 Kuala Lumpur not less than 48 hours before the time set for holding the meeting.
5. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

No. of Shares Held

JUSCO

JAYA JUSCO STORES BHD (Company No.: 126926-H) Incorporated in Malaysia

PROXY FORM

I/We, ...

of ....

being a member/members of the abovenamed Company, hereby appoint ....

....

of ....

or failing him/her, ...

of ....

as my/our proxy to vote for me/us on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Level 2, Junior Ballroom 1, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 16 June 2000 at 10.30 a.m and at any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Ordinary Resolution	For	Against
Resolution 1.	Adoption of Audited Accounts and Reports for the year ended 29 February 2000		
Resolution 2.	Declaration of First and Final Dividend of 20% per share less 28% income tax		
Resolution 3.	Approval of Directors' Fees		
Resolution 4.	Re-election of Dato' Abdullah bin Mohd Yusof		
Resolution 5.	Re-election of Mr Motoya Okada		
Resolution 6.	Re-election of Mr Akihito Tanaka		
Resolution 7.	Re-election of Encik Ramli bin Ibrahim		
Resolution 8.	Re-election of YBhg Tan Sri Datuk (Dr) Kazumasa Suzuki		
Resolution 9.	Re-election of Encik Kamarudin Abu Hassan		
Resolution 10.	Re-election of Mr Yoichi Kimura		
Resolution 11.	Re-appointment of KPMG Desa Megat & Co. as Auditors		

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

....
Signature:
Shareholder or Common Seal

Dated this .... day of .... 2000.

NOTE:
1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1)(c) of the Act are complied with.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 4th Floor, Menara Kausar, Jalan 3/27A, Seksyen 1, Bandar Baru Wangsa Maju, 53300 Kuala Lumpur not less than 48 hours before the time set for holding the meeting.
5. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

Place
Stamp
Here

The Company Secretary:
JAYA JUSCO STORES BHD (Company No.: 126926-H)
4th Floor, Menara Kausar, Jalan 3/27A, Seksyen 1, Bandar Baru
Wangsa Maju, 53300 Kuala Lumpur.

JUSCO

JUSCO

The **JUSCO** Philosophy - "Customer First"

Jusco's corporate identity has a high-quality look and feel, corresponding to the excellence we strive for in everything we do for our customers and community.

The interwined "S" and "C" stands for the core ideals of our company:

"S" represents	"C" represents
Stores	Corporate
Service	Community
	Customers

At **JAYA JUSCO STORES BHD** we feel this identity symbolises our ideals to our rising profile as we fulfill our corporate mission throughout the world.