

PADINI HOLDINGS BERHAD

Registration No: 197901005918 (50202-A)
(Incorporated in Malaysia)

INTEGRATED ANNUAL REPORT

2 0 2 6

ABOUT THIS REPORT

We are pleased to present Padini Holdings Berhad's ("Padini" or "the Group") Integrated Annual Report ("IAR") for the financial year ended 30 June 2026.

This report addresses stakeholder information needs by presenting both financial and non-financial disclosures. It provides insights into Padini's sustainability initiatives, responsible business practices and their impact on the environment, society and corporate governance. The report aims to promote transparency, accountability and sustainability in Padini's operations and future endeavors.

We will continuously enhance our reporting disclosures and remain guided by the evolving reporting requirements towards achieving a more transparent corporate reporting in tandem with global reporting standards or frameworks.

REPORTING FRAMEWORKS

In line with best practices, our report is guided by the following reporting frameworks and principles.

- Bursa Malaysia's Main Market Listing Requirements ("Listing Requirements")
- Companies Act 2016 in Malaysia ("Act")
- Global Reporting Initiative ("GRI") Standards for Sustainability Reporting
- International Integrated Reporting Council ("IIRC") Framework
- International Financial Reporting Standards ("IFRSs")
- Malaysian Financial Reporting Standards ("MFRSs")
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")

SCOPE AND BOUNDARIES

The report disclosures encompass all business entities in which the Group has full control in Malaysia as well as Group's subsidiaries in Hong Kong, Cambodia and Thailand. This report covers information and activities for the reporting period from 1 July 2025 to 30 June 2026, unless otherwise stated.

ASSURANCE

Financial statements are aligned towards the Malaysian Financial Reporting Standards, International Financial Reporting Standard and requirements of the Companies Act 2016. BDO PLT was engaged to provide an independent limited assurance opinion.

The Group has not obtained any independent assurance on its non-financial report. However, our non-financial report is underpinned by our robust internal controls and the implementation of good corporate governance practices. Continually, we will work to improve our data collection systems and enhance our reporting processes to provide more insights into Group's performance for our stakeholders.

MATERIALITY

We assessed our material matters in the financial, economic, environmental, social and governance aspects on a yearly basis through our risk assessment framework to ensure that the matters continued to be applicable and relevant. Our strategic response to these material matters is reflected throughout this report and in our sustainability statement.

ABOUT THIS REPORT (CONT'D)

FORWARD-LOOKING STATEMENT

This report contains forward-looking statements characterised using words and phrases such as “might”, “forecast”, “anticipate”, “may”, “believe”, “predict”, “expect”, “continue”, “will”, “estimate”, “target” and other similar expressions. As the business environment is constantly changing, all forward-looking statements are subject to uncertainties that could cause actual results to differ from those reflected in them. Therefore, these statements should not be construed as absolute guarantees or predictions of the Group’s future outcomes. Readers of this Integrated Annual Report are advised not to place undue reliance on them.

BOARD APPROVAL

The Board acknowledges its responsibility and accountability for the integrity of this Integrated Annual Report and collectively reviewed this report as guided by the IIRC and approved the Integrated Annual Report on 15 October 2026.

FEEDBACK

In serving our stakeholders better, we are committed to continuous improvements on our disclosures and reporting areas through feedback and comments from our stakeholders.

Feedback, suggestions or enquiries on this report can be directed at:

Tel: 03-5021 0500

Fax: 03-7805 1066

Email: ir@padini.com

45th ANNUAL GENERAL MEETING



Glenmarie Ballroom
Hilton Shah Alam Glenmarie
No. 1, Jalan Usahawan U1/8
Seksyen U1
40250 Shah Alam
Selangor Darul Ehsan



Date: 25 November 2026

Time: 10.00 a.m.



INTEGRATED ANNUAL REPORT

Our Integrated Annual Report 2026 is accessible at corporate.padini.com or by scanning this QR code.

NAVIGATION ICONS

OUR CAPITALS



Natural Capital



Human Capital



Social and
Relationship Capital



Financial
Capital



Intellectual Capital



Manufactured Capital

OUR GROWTH STRATEGY



Sustainable Product
Differentiation



Strengthening
Value Chain



Market Responsive



Empowering Talents



Community Giving

OUR STAKEHOLDERS



Local Communities
and Public



Shareholders and
Investors



Government and
Regulatory Authorities



Customers



Employees



Suppliers



Shopping Malls

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Proxy form

CORPORATE PROFILE

Founded in 1971, Padini Holdings Berhad ("Padini" or "the Group") initially established its presence in the apparel industry as a sole proprietorship, primarily catering to departmental stores within Malaysia. Progressively, driven by a vision, we have transformed from manufacturing and wholesaling to distribution and retailing by creating our very own brands catering to specific consumer niches.

We address fashion-conscious consumers of both genders and all ages through our multi-brand labels which are under Padini Concept Store and Brands Outlet. Our products are under brand names such as Padini, Padini Authentics, PDI, Seed, Miki, P&Co, Vincci, Vincci Mini, Vincci Accessories, BO Accessories, Blitz, Filanto, Gamester, Garage Inc., Hotshots, Industrie Co., Move, Oceano, Portofino, Ropé and Studio.

Today, we have grown to become one of the country's prominent fashion companies. Padini is listed on the Main Market of Bursa Malaysia and year-on-year market capitalisation has grown to RM1.40 billion as of 30 June 2026. In total, we have over one hundred fifty-one (151) stores in Malaysia, four (4) stores in Cambodia, five (5) stores in Thailand and thirteen (13) franchise stores in multiple markets around the world such as Brunei,

Bahrain, Oman and United Arab Emirates. Our brands are also available online via our e-commerce sites in Malaysia and Singapore.

Despite our growth in size, we have remained steadfast in our commitment to delivering the best value in our products. This focus will continue to guide us as we move forward, alongside our ongoing dedication to responsibility and sustainability in everything we do.

QUICK FACTS ABOUT PADINI

PUBLIC LISTED IN
BURSA MALAYSIA
SINCE **1998**

ESTABLISHED
COMPANY SINCE **1971**

160
OWN STORES
GLOBALLY

APPROX
RM113 MILLION IN
PROFIT AFTER TAX

APPROX
3,400 EMPLOYEES
GLOBALLY

APPROX
RM1.9 BILLION
IN **REVENUE**

CORPORATE PROFILE (CONT'D)



OUR VISION

To Be the Best Fashion Company Ever

We have to focus our efforts to have the best valued products in the market with the best shopping experience we can offer, whilst practicing responsibility and sustainability.



OUR MISSION

To Exceed Customers' Expectations and Our Brands' Promise.

Our aim is to go beyond merely meeting customers' expectations and fulfill our brands' promises by offering fashionable, affordable and high-quality products, accompanied by outstanding service that delivers exceptional value.

OUR CORE VALUE

"Caring From the Heart" expressing genuine care in our practice in our community and company.



OUR CULTURE

•Accountable, dare to face challenges, responsible and make best judgement to fulfill brand promise and exceed customer satisfaction

Self-Confidence



•Simplify everything systematically, set priority for optimum efficiency

Simplicity



•Adaptability to change, react swiftly to the dynamic environment and delivery quality work

Speed



•Believe in vision, core purpose and values of Padini and consistently in practising these beliefs

Consistency



•Respect, energise, entrust, recognise and appreciate contributions among team members, across teams and departments

Teamwork



•Always enthusiastic to learn, unlearn, relearn and be open minded and share all issues and knowledge

Learning Culture



•Always remain positive in mind and languages, practice open, patient and respectful communication with appropriate response

Communication



CORPORATE MILESTONES

2026

Newly owned warehouse in the southern region marks an important milestone in strengthening Group's logistic capacity to support future business growth.



2025

Padini's first stand-alone store that brings together Padini Concept Store, Brands Outlet, and Vincci under one roof.



2024

Comfortable and durable series were launched;
More series featuring popular character collaborations were launched



2023

Sustainability series were launched



2021

Padini App was launched and expanded



Expanded e-commerce in Singapore

2020

Started selling via Lazada, Facebook Live and Shopee

2019

Thailand Market was expanded



2017

Cambodia Market was expanded



2012

Entered Myanmar Market

2011

Entered Bahrain, Egypt and Morocco Market

2010

Entered Qatar and Pakistan Market

2009

Entered Syria Market

2007

Entered Oman Market

2006

BRANDS OUTLET was launched



2005

Entered Indonesia, UAE and Cambodia Market

2004

Entered Main Board of Bursa Malaysia



2003

Entered Philippines and Saudi Arabia Market

2001

Entered Thailand Market

CORPORATE MILESTONES (CONT'D)

2000

Entered Brunei Market

1999

P&CO and PDI were launched

PADINI CONCEPT STORE

The first of the Group's multi brand shops.



1998

PADINI HOLDINGS BERHAD was listed on the Second Board of Kuala Lumpur Stock Exchange

1993

PADINI AUTHENTICS was launched



1992

PADINI HOLDINGS SDN BHD was established

First **SEED** store was opened at Sungei Wang



1990

SEED was launched



1987

MIKI was launched



1981

VINCCI was launched



1975

PADINI was founded and entered the retail industry



1971

Started with Hwayo Garments Manufacturer Company as small ladies garment and wholesaling to departmental stores

OUR BRANDS PORTFOLIO

PADINI CONCEPT STORE

Each of these Brands represent a unique fashion philosophy and encompasses a comprehensive range of products that fit into our targeted consumer universe.



Trendy yet comfortable



Fashion forward for girls and ladies



Comfort and laidback style
campus-wear



New-born and toddler wear



Modern and simple work wear
essential



Casual wear



Ladies' accessories



Ladies' footwear and bags



Children footwear and bags

OUR BRANDS PORTFOLIO (CONT'D)

BRANDS OUTLET



INCLUSTRIE CO.

(Adult polo and Khaki pants)



BO

(Accessories)



BITZ!

(Newborn products)



HOTSHOTS

(Kids girl)



GARAGE

(Adult tee shirts and denim bottom)



FILANTO

(Ladies' trendy wear)



GAMESTER

(Kids Boy)



MOVE

(Ladies' shoe, lounge wear and undies)



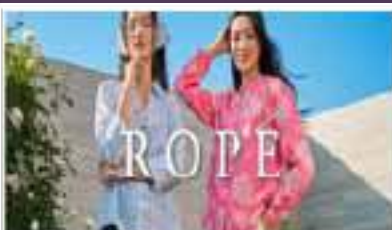
OCEANO

(Men's boardshort)



STUDIO

(Men's work wear)



ROPE

(Adult casual wear)



P

PORTOFINO

(Adult sport and active wear)

CORPORATE INFORMATION

Chairman, Independent Non-Executive Director
Datuk Lee Say Tshin

Managing Director
Mr Yong Pang Chaun

Independent Non-Executive Directors

Mr Ng Chee Hoong
Ms Tan Poh Ling
Ms Tan Shi Wen
Mr Timothy Tan Heng Han

Executive Directors

Mr Andrew Yong Tze How
Mr Benjamin Yong Tze Jet
Mr Christopher Yong Tze-Yao
Ms Sung Fong Fui

BOARD OF DIRECTORS

AUDIT AND RISK COMMITTEE

Mr Ng Chee Hoong
(Chairman)
Ms Tan Poh Ling
(Member)
Ms Tan Shi Wen
(Member)
Mr Timothy Tan Heng Han
(Member)

**NOMINATING AND
REMUNERATION COMMITTEE**

Ms Tan Poh Ling
(Chairman)
Mr Ng Chee Hoong
(Member)
Ms Tan Shi Wen
(Member)
Mr Timothy Tan Heng Han
(Member)

COMPANY SECRETARIES

Ms Ho Mun Yee
(SSM PC NO. : 201908003292)
(MAICSA 0877877)
Ms Cho Mei Tho
(SSM PC NO. : 201908003284)
(MAICSA 7036543)

**PRINCIPAL PLACE OF
BUSINESS**

No. 19, Jalan Jurunilai U1/20
Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
Tel : 03 – 5021 0500
Fax : 03 – 7805 1066

REGISTERED OFFICE

3rd Floor
No. 17, Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel : 03 – 4044 3235
Fax : 03 – 4041 3959
Email : esprit@espritms.com.my

SHARE REGISTRAR

Vistra Investor & Issuing House
Services Sdn. Bhd.
(formerly known as Tricor Investor
& Issuing House Services Sdn Bhd)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 03 – 2783 9299
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock code: 7052

AUDITORS

BDO PLT
[201906000013 (LLP0018825-LCA)
& AF 0206]
Chartered Accountants
Level 8, BDO @ Manara Centara
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur,
Malaysia
Tel : 03 – 2616 2888
Fax : 03 – 2616 3190

PRINCIPAL BANKER

OCBC Al-Amin Bank Berhad

INVESTOR RELATIONS

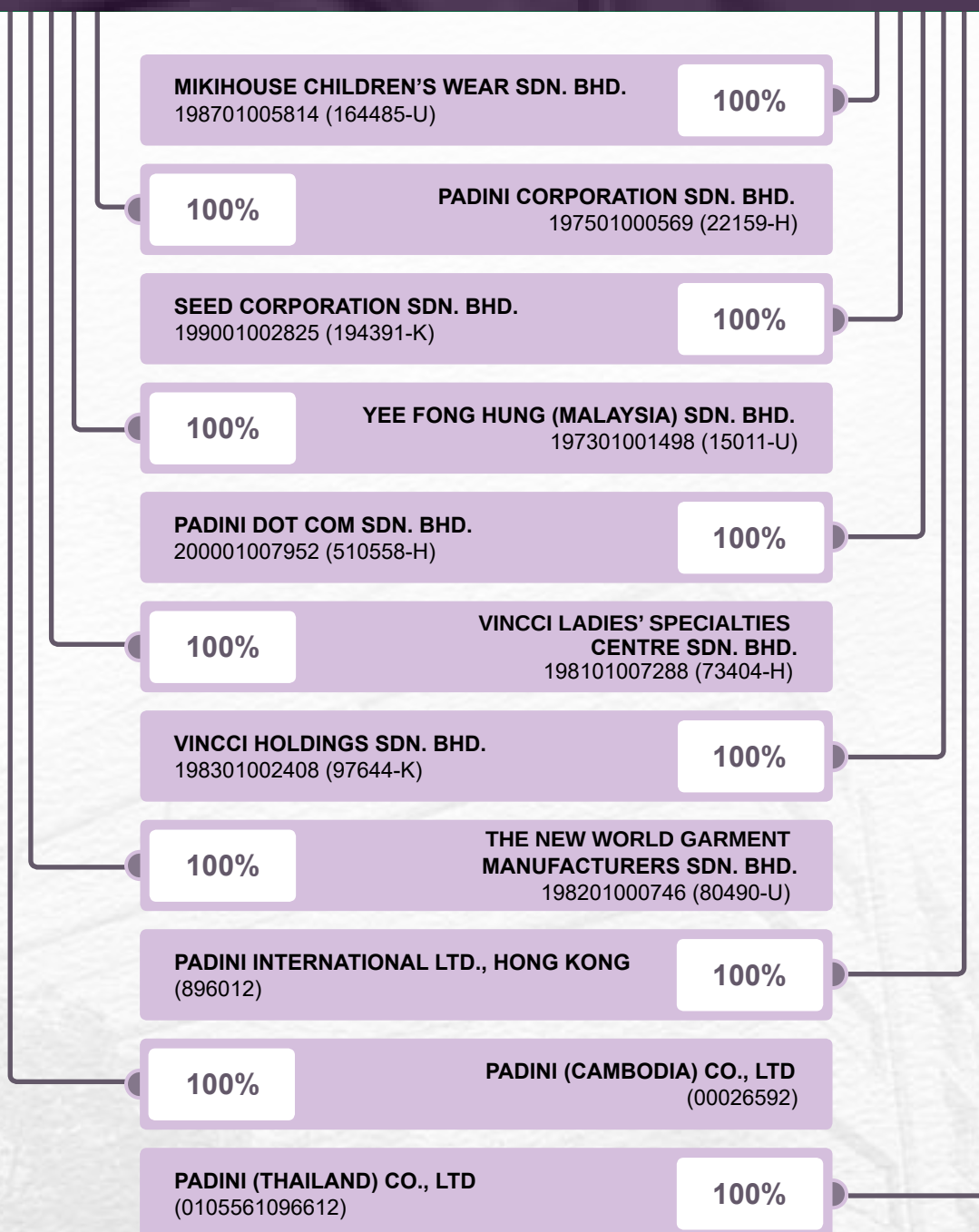
Ms Sung Fong Fui
Tel : 03 – 5021 0500
Fax : 03 – 7805 1066
Email : ir@padini.com

COMPANY WEBSITE

corporate.padini.com

CORPORATE STRUCTURE

PADINI HOLDINGS BERHAD 197901005918 (50202-A)



AWARD AND RECOGNITION

2004 (PADINI) & 2005 (VINCCI) Anugerah Nasional Kreativiti & Inovasi by Malaysia Design & Innovation Centre

(For outstanding brand building endeavours that have helped to build Malaysia's international image and reputation for quality)



2006, 2007, 2013 and 2024 Forbes Asia's 200 Best Under A Billion

(Forbes Asia Top 200 Mid and Small Size Public Listed Company)

2007, 2008 & 2009 (PADINI) Malaysia Most Valuable Brands by Association of Accredited Advertising Agents Malaysia

(Top 30 of Malaysia's most valuable brands)



2010 (PADINI), 2011 (Vincci and PADINI), 2012 (Vincci), 2019 (PADINI) and 2023 (PADINI) Putra Brand Awards by Association of Accredited Advertising Agents Malaysia

*(2010, 2011, 2012 - Most promising brand of the year)
(2019 – Putra brand personality of the year)
(2023 – Putra brand award – Silver)*



2013, 2017 and 2018 The Edge Billion Ringgit Club by The Edge

(Highest returns to shareholders over three years)



2019 MRCA Billion Dollar Club Award by Malaysia Retail Chain Association



2016 (Padini Concept Store Sunway Putra Mall) & 2022 (Padini Concept Store Mid Valley) Fair Price Shop by Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan



2023 Anugerah Majikan Prihatin (Swasta) by Kementerian Pembangunan Wanita, Keluarga dan Masyarakat



AWARD AND RECOGNITION (CONT'D)

Rewards recognised by Business Partner:

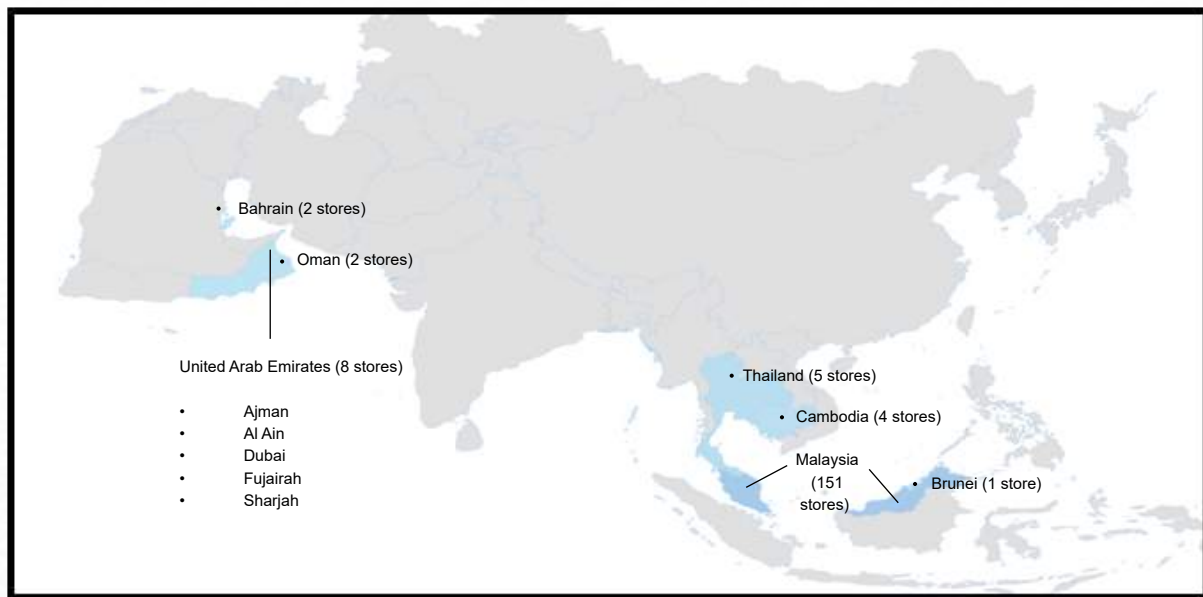
1. 2000 & 2001 Retail Awards of Excellence by Suria KLCC
2. 2007 (Padini Authentics Aeon Cheras Selatan) Retailer of the Year Award by AEON
3. 2008 (Seed) THE CLEO fashion award
4. 2010 (Padini Concept Store) Outstanding Business Partner by Sunway Pyramid
5. 2011 Best Decorated Store by Capital Malls
6. 2013 (Padini Concept Store) Hot Shop Awards by Queensbay Mall
7. 2015 (PDI) Highest Sales Growth Award by AEON
8. 2017 (Vincci) Outstanding Performance Award by 11street
9. 2017 (Padini Concept Store) Highest Sales Growth by Palm Mall
10. 2018 (Brands Outlet) Best Performance by Palm Mall
11. 2022 (Padini) Green Tenant Awards by IPC Shopping Centre
12. 2023 (Padini Concept Store) Best Performance by Palm Mall
13. 2023 (Padini Dot Com) Excellence in Mobile Marketing by Disney
14. 2024 (Padini Holdings Berhad) Most Supportive Business Partner by Sunway
15. 2024 (Padini) Best In-Store Experience by Sunway
16. 2024 (Brands Outlet) People's Choice Award by Mytown
17. 2024 (Padini Concept Store) Green Tenant Awards (Bronze winner) by IPC Shopping Centre
18. 2025 (Vincci) 30 years of Retail Excellence by 1 Utama Shopping Centre
19. 2025 (Padini) 30 years of Retail Excellence by 1 Utama Shopping Centre
20. 2025 (Padini) Shopper's Favourite Brand Award by Design Village
21. 2025 (Padini Concept Store) Green Tenant Awards (Gold winner) by IPC Shopping Centre
22. 2025 (Padini Concept Store and Vincci) Shopper's Choice Award by Sky Avenue
23. 2025 (Padini Holdings Berhad) Community Uplift Project
24. 2026 (Padini) Shopper's Favourite Brand Award by Design Village



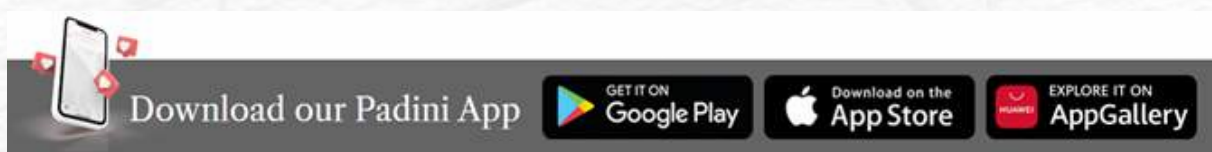
OUR PRESENCE

Since its establishment in 1971, Padini has expanded its reach and evolved into a global brand with an international presence across multiple countries. Today, we operated one hundred fifty-one (151) stores in Malaysia, along with an expanding footprint overseas, including four (4) own-managed stores in Cambodia, five (5) own-managed stores in Thailand and a total thirteen (13) franchise stores across Bahrain, Brunei, Oman and the United Arab Emirates (“UAE”).

As of 30 June 2026



In line with our initiative to strengthen our online presence, we continue to serve customers through our e-commerce platform, Padini.com. Building on this, we launched the Padini mobile application in financial year 2021 to deliver a seamless and frictionless online shopping experience, with continuous enhancements made to the application over time. As part of our regional expansion strategy, our online offering has also extended beyond local markets to Singapore. Moving forward, we remain committed to offering our customers the best in fashion, quality and value.



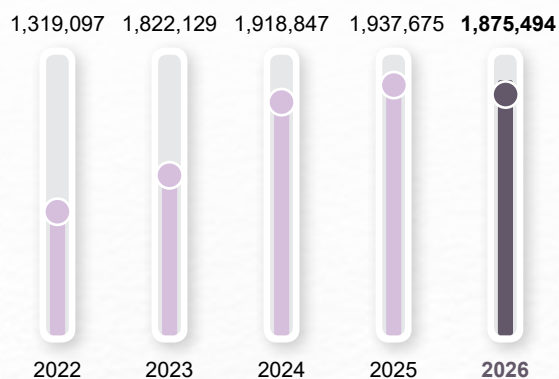
FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

	2026	2025	2024	2023	2022
Amounts in RM thousand (RM'000) unless otherwise stated					
Revenue	1,875,494	1,937,675	1,918,847	1,822,129	1,319,097
(Decrease)/Increase in revenue	(62,181)	18,828	96,718	503,032	289,710
(Decrease)/Increase in revenue (%)	(3.2%)	1.0%	5.3%	38.1%	28.1%
Profit before tax	160,815	209,379	196,738	295,891	205,110
(Decrease)/Increase in profit before tax	(48,564)	12,641	(99,153)	90,781	130,964
(Decrease)/Increase in profit before tax (%)	(23.2%)	6.4%	(33.5%)	44.3%	176.6%
Profit attributable to equity holders of the Company	112,621	154,788	146,595	222,691	154,103
(Decrease)/Increase in profit attributable to equity holders	(42,167)	8,193	(76,096)	68,588	100,046
(Decrease)/Increase in profit attributable to equity holders (%)	(27.2%)	5.6%	(34.2%)	44.5%	185.1%
Net assets	1,205,405	1,184,839	1,111,110	1,040,088	891,050
Changes in net assets	20,566	73,729	71,022	149,038	89,264
Changes in net assets (%)	1.7%	6.6%	6.8%	16.7%	11.1%
Cash and cash equivalents	814,340	756,506	791,040	605,315	808,853
Interest bearing borrowings	3,939	9,016	13,495	3,994	379
Net assets per share (sen)**	122.1	120.1	112.6	105.4	90.3
Changes in net assets per share (sen)	2.0	7.5	7.2	15.1	9.1
Changes in net assets per share (%)	1.7%	6.7%	6.8%	16.7%	11.2%
Basic earnings per share (sen)**	11.41	15.68	14.85	22.57	15.62
Changes in basic earnings per share (sen)	(4.3)	0.8	(7.7)	7.0	10.1
Changes in basic earnings per share (%)	(27.3%)	5.6%	(34.2%)	44.5%	185.1%
Dividend per share (sen)	9.20^	9.60^	11.50	11.50	10.00
Changes in dividend per share (sen)	(0.4)	(1.9)	-	1.5	7.5
Changes in dividend per share (%)	(4.2%)	(16.5%)	-	15.0%	300.0%
Gross Profit Margin (%)	39.1%	38.9%	36.2%	39.4%	38.5%
Net Profit Margin (%)	6.0%	8.0%	7.6%	12.2%	11.7%
Dividend payout ratio (%)	80.6%	61.2%	51.6%	34.0%	42.7%
Dividend yield (%)	6.5%	4.6%	3.2%	3.0%	3.1%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	378,464	401,702	365,828	433,690	340,971
EBITDA margin (%)	20.2%	20.7%	19.1%	23.8%	25.8%

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS (CONT'D)

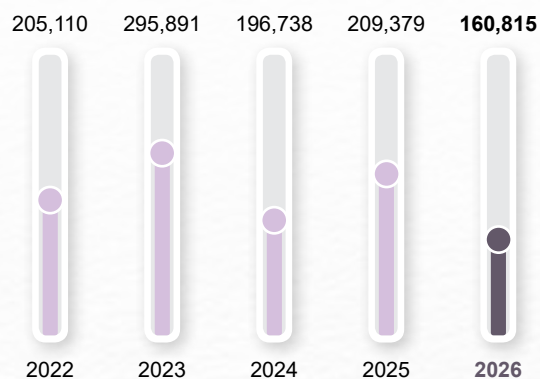
REVENUE

(RM'000)



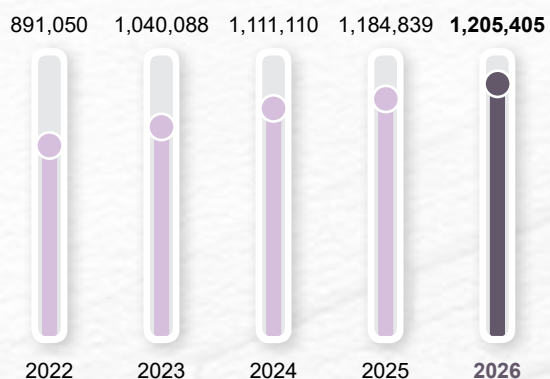
PROFIT BEFORE TAX

(RM'000)



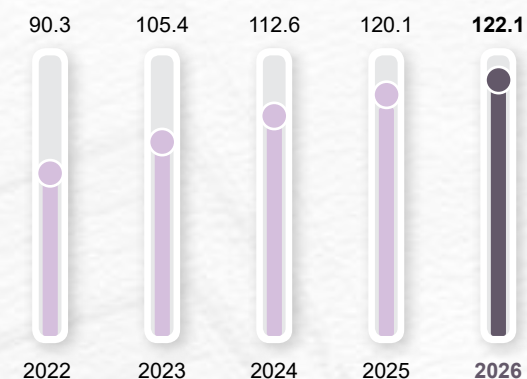
NET ASSETS

(RM'000)



NET ASSETS PER SHARE

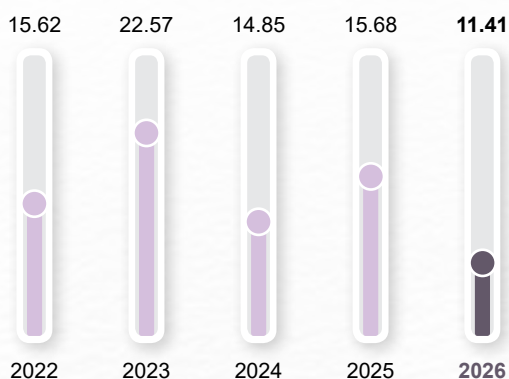
(sen)



FIVE YEARS GROUP FINANCIAL HIGHLIGHTS (CONT'D)

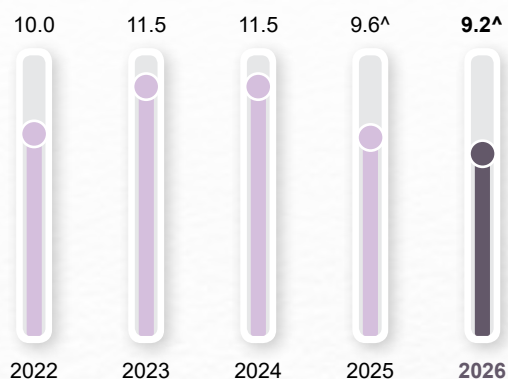
EARNINGS PER SHARE

(sen)



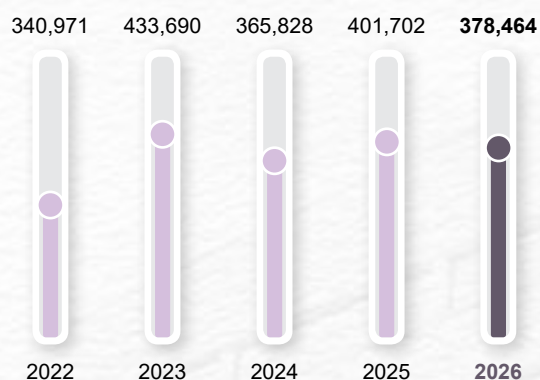
DIVIDEND PER SHARE

(sen)



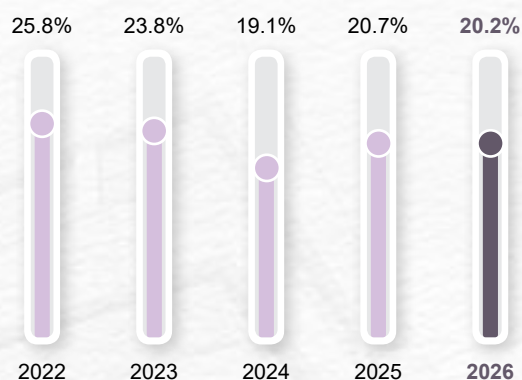
EBITDA

(RM'000)



EBITDA MARGIN

(%)



** For comparative purposes, net assets per share (sen) and basic earnings per share (sen) are calculated based on the weighted average number of ordinary shares which has been adjusted to reflect the Bonus Issue quoted on 19 December 2024.

^ Number of shares increased from 657,909,500 to 986,864,185 shares after the Bonus Issue quoted on 19 December 2024.

BUSINESS HIGHLIGHTS

	2026	2025	2024	2023	2022
	(Square feet)	(Square feet)	(Square feet)	(Square feet)	(Square feet)
Floor area operated (Malaysia) *^	1,571,000	1,551,000	1,412,000	1,362,000	1,387,000
Floor area operated (Thailand) *^	7,000	7,000	11,000	12,000	12,000
Floor area operated (Cambodia) *^	42,000	65,000	65,000	65,000	41,000

* As at 30 June

^ Rounded in thousand

JULY 2025



Vincci
East Coast Mall
New Opening

DECEMBER 2025



Padini Concept Store
Nu Sentral Shopping Centre
New Opening



Padini Concept Store
IOI Mall Damansara
New Opening



Brands Outlet
IOI Mall Damansara
New Opening

JANUARY 2026



Padini Concept Store
Kangar Jaya Mall
New Opening



Brands Outlet
Kangar Jaya Mall
New Opening



Vincci
Suria Sabah Shopping Mall
New Opening

NON-FINANCIAL HIGHLIGHTS

A total of approximately 1,172,400 eco-friendly footwear, bag and apparel units were procured



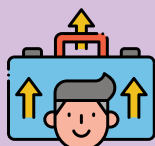
LED lighting solutions offering a **reduction in energy consumption of 49% wattage** in lighting of each store



Nearly **623 hours** spent by employees on **volunteering**



Approximately **RM706,000** allocated for **training programmes** encompassing all employees



100% of Employees participated in training focused on **The Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy**



Approximately **RM147,000** (cash and in kind) and approximately **8,500 cartons of clothing** were given as **donations**

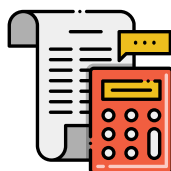


Employee Wages & Benefits approximately amounted to **RM229 million**

Employee discounts ranging from **10% - 30%** of Padini products



Payment To Governments (Direct Tax) approximately **RM54 million**



Total of **12 NGOs** **Benefited**



Biodegradable Plastics Bags at All Stores.

Recycled and sustainable paper bags, hang tags and shoe boxes at Vincci Stores, Padini Concept Store and Brands Outlet



Approximately RM26.1 million deployed towards climate-related opportunities through purchases of eco-friendly products and LED related assets



Total **5.6GWh** Clean Energy produced from **Solar Installation**



(The information presented is derived from the period of 1 July 2025 to 30 June 2026)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my pleasure to present the Integrated Annual Report and the Audited Financial Statements of Padini Holdings Berhad and its subsidiaries ("Padini" or "the Group") for the financial year ended 30 June 2026.

Group Performance Overview

For the financial year under review, the Group recorded a consolidated revenue of RM1.88 billion, a decline of 3.2% compared to RM1.94 billion in the previous financial year. The moderation in topline performance was largely attributable to a more cautious consumer spending environment amid persistent cost-of-living pressures, a highly competitive retail landscape and a higher base of comparison from the previous financial year.

Despite the softer revenue, the Group maintained its gross profit margin at 39%, reflecting our continued discipline in cost management, sourcing efficiency and pricing strategy amid fluctuating input costs. Profit before tax, however, declined by 23.2% to RM160.8 million from RM209.4 million in the previous year, mainly due to higher operational expenses following the expansion of the Sales and Service Tax ("SST") to cover leasing and rental services with effect from 1 July 2025, as well as other expenses. Consequently, profit after tax attributable to equity holders of the Company stood at RM112.6 million, a decrease of 27.2% year-on-year.

Malaysia's economy remained resilient throughout the financial year, expanding by 5.4% and 6.3% in the third and fourth quarters of 2025 respectively, and sustaining its growth momentum into 2026 with growth of 5.4% and 6.0% recorded in the first and second quarters, driven largely by robust domestic demand, resilient household spending and steady export performance, according to Bank Negara Malaysia and the Department of Statistics Malaysia. Headline inflation remained moderate, ranging between 1.3% and 1.9% during the period, supported by targeted subsidies and stable monetary policy. The Malaysian apparel and fashion retail industry continued to demonstrate resilience, underpinned by rising disposable incomes, improving tourism arrivals and the continued digitalisation of the retail experience.

Notwithstanding this generally supportive macroeconomic backdrop, the Group's performance during the year was impacted by a more challenging domestic retail climate, characterised by intensifying competition, elevated operating costs and cautious consumer sentiment, in part arising from the extension of SST to leasing and rental services, which increased our overall rental cost base. We also continued to navigate uncertainties ongoing global geopolitical tensions and their knock-on effects on supply chains and input costs.

However, we remain committed to delivering fashionable, affordable and high-quality products to our customers. Through disciplined cost management, continuous improvement in operational efficiency, and prudent capital and working capital management, we were able to preserve our gross margin despite a more challenging cost environment. The Board and Management continue to place strong emphasis on productivity per square foot, space optimisation and the strengthening of our e-commerce channels to reduce reliance on any single market or channel.

The following section in the Management Discussion & Analysis provides a more comprehensive view of Padini's performance, as well as the risks and challenges the Group is exposed to.

CHAIRMAN'S STATEMENT (CONT'D)

Future outlook

Malaysia's economy is projected to remain resilient in 2026, with growth expected to come in around 5%, supported by continued strength in domestic demand, exports and investment activities. Headline inflation is projected to remain moderate, within the range of 1.5% to 2.5%, providing a relatively stable operating environment for consumer-facing businesses.

Notwithstanding this positive backdrop, the Group anticipates continued cost pressures arising from the full-year impact of the expanded SST on leasing and rental services, potential foreign exchange volatility, and ongoing global geopolitical and trade-related uncertainties, including developments in the Middle East and broader international trade tensions, which may continue to affect input costs and consumer sentiment.

We will continue to adapt to the changing economic and cost environment, with continued focus on optimising productivity per square foot, enhancing space utilisation, and further strengthening our digital and e-commerce capabilities to complement our physical retail network. Cost discipline, prudent working capital management, and sustained investment in product quality and customer experience will remain central to our strategy going forward.

We remain cautiously optimistic. While near-term cost pressures and global uncertainties persist, we believe our disciplined approach to cost management, continued focus on customer- and product-centric innovation, and ongoing digital transformation will position the Group well to navigate the current environment and deliver sustainable long-term value to our shareholders.

Appreciation

On behalf of the Board of Directors, I wish to express my deepest appreciation to all our customers, shareholders, suppliers, professional service providers, bankers and all other business associates for their continuous support and trust.

I would also like to express my gratitude to my fellow Board members for their invaluable guidance and unwavering support to the Management.

Last but not least, I also want to acknowledge the hard work, dedication and commitment of our employees across the Group from our store teams to colleagues working in our offices and overseas businesses. Their continued contributions and commitment remain key to Padini's resilience and future success.

The Group remains committed to creating sustainable long-term value for all our stakeholders. Together, we will continue to evolve and adapt as we navigate the dynamic retail landscape, united in our pursuit of sustainable growth and lasting success.

Datuk Lee Say Tshin
Chairman
15 October 2026

MESSAGE FROM MANAGING DIRECTOR

“We see it as our responsibility to work with integrity, transparency and honesty. Our journey is not finite. It will continue as an ever-changing quest for improvement and reduced impact.”

We are honoured to present the Integrated Annual Report of Padini Holdings Berhad and its subsidiaries ("Padini" or "the Group") for the financial year 2026. As Managing Director and Chairman of Sustainability Committee, I work closely with my team to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

We believe that with the continuous sustainable journey ahead, we will sustain through global changes and challenges.

ETHICAL AND RESPONSIBLE BUSINESS ETHICS

We believe that Padini not only upholds responsibility in accomplishment in business activities, but we are also mindful in focusing on communication with stakeholders in ethical and sustainable ways.

As we move forward, we intend to inculcate our sustainability governance and sustainability practices into the day-to-day operations of the Group. In this regard, the Board of Directors ("the Board") has endorsed the Group's sustainability agenda as one of the key priorities and will continue to strive to promote environmental, social and governance ("ESG") practices in our strategies. In line with this commitment, the Group is progressing towards aligning its sustainability disclosures with the requirements of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), to enhance the quality, consistency and transparency of our sustainability reporting going forward. We ensure that the Group complies with applicable laws and regulations and we promote open and transparent discussions, as well as constructive challenges on the Board and across the Group. We will continue to strive to maintain best practices maintained and ensure that governance remains integral to our strategy and decision-making processes for the benefit of our shareholders and other stakeholders.

CARING FROM THE HEART

Human capital remains one of the key resources that Padini places high priority on. As a responsible corporate citizen who would like to take part in the growth progression of the nation, we placed emphasis on local hiring and helping vulnerable members of our communities wherever we can. In our effort to make a meaningful difference. Despite the challenging conditions we have faced over the years, salary reductions or retrenchments have never been part of our consideration to date.

I am also pleased to share that we have improved the diversity of our company overall. We continue to work closely with various Non-Governmental Organisations and government agencies such as Department for the Development of Persons with Disabilities. We have provided employment opportunities to the Person with Disabilities to demonstrate their full potential, a platform to better display their abilities and thereby encouraging and inspiring others in the society. This certainly would not work without the support of our internal team members and such training was conducted to ensure a smooth transition working with our new members. We also continue to encourage our employees to volunteer and contribute to our community through our philanthropy programmes. We have taken a step further by sending some of our staff to learn sign languages to strengthen communication with our less abled staff.

MESSAGE FROM MANAGING DIRECTOR (CONT'D)

CARING FROM THE HEART (Cont'd)

During the past year, we have contributed RM147,000 in cash and in kind and approximately eight thousand and five hundred (8,500) cartons (Equivalent to approximately 189,000 pieces) of clothing to charitable organisations. It is reassuring to witness the enthusiasm for Padini's sustainability journey from employees at all levels. Padini's success is built from our own financial performance and sustained long-term profitability when we protect it through our actions on the environment and society.

CARING FOR NATURE

Starting from the financial year 2023, Padini introduced eco-friendly products as part of our efforts and step towards mitigating climate change and preserving natural resources. By integrating these eco-friendly products into our brand's portfolio, we strive to inspire and encourage our customers to join us on the journey towards a more sustainable future. We believe that every small step matters, and together, we can make a significant contribution to the preservation of our planet for future generations. This initiative reflects our ongoing efforts, and we will continue to explore a wider range of eco-friendly products in the coming years. As part of our commitment to eco-friendly products, we have expanded our material portfolio to include organic cotton, recycled polyester, Sorona fabric, lenzing Tencel and other sustainable options.

The Sustainability Statement section is our invitation to you to learn more about what we have done and what we are committing to do going forward, to bring our philosophy to life. We hope that you will find this Integrated Annual Report informative, as we aim to provide a better understanding of how we operate and share information about our long-term impact on society, and how fundamental to the creation of our long-term business.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to thank all of those who form part of Padini family for their work and effort. On 24 April 2026, certain bank accounts of the Group were frozen pursuant to an order issued by the Malaysian Anti-Corruption Commission ("MACC") under Section 44(1) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, in connection with an ongoing investigation and all affected accounts were subsequently unfrozen on 16 July 2026. No director, officer, employee or representative of the Group has been arrested or charged with any offence arising from the matter and no member of the Group has been made the subject of any forfeiture proceedings. That the Group was able to overcome this challenge and sustain its operations without material disruption is a testament to the collective strength of everyone associated with it. My sincere appreciation goes to our employees for their dedication and resilience. Together, we emerge stronger and remain committed to delivering sustainable value to all our stakeholders.

Mr Yong Pang Chaun
Managing Director
15 October 2026

MANAGEMENT DISCUSSION & ANALYSIS

The following Management Discussion & Analysis provides a review of the Group's business and operation, an analysis of the financial results and position, the performance of operating segments, risks and uncertainties as well as outlook for the future. This Management Discussion & Analysis should be read in conjunction with the company's audited financial statements and the accompanying notes for the financial year ended 30 June 2026.

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATION

Padini's vision is to be the best fashion company ever in Malaysia and the region. Our mission is to exceed customers' expectations and our brands' promises. Forward planning, creativity, innovation, teamwork, resources and infrastructure development and consistent execution of strategies are required to achieve the aforesaid vision and mission. With the key enablers progressively put in place, the Group has continued to forge ahead notwithstanding the challenging economic environment.

Retail has always been and will continue to be ever changing and evolving. Attaining new customers is a good way to grow and getting existing customers to return is the lifeblood of any business. Consumers always have high expectations and have their pick when it comes to buying a product. We need to be ever iridescent in the eyes of consumers, to attract and retain their interest and increase the traffic to our retail stores and e-commerce platforms.

As always, a good understanding of consumers' needs and speed of delivery remain of the utmost importance. The latest fashion trends need to be made available in store in the shortest time possible, at the right price, before they lose their appeal. To improve the efficiency of stock movement and logistics in both East Malaysia and Peninsular Malaysia, the Group continues to progress its plans to establish logistics hubs in East Malaysia, the southern region and the northern region, with development anticipated to continue through to the financial year 2029. Following the acquisition of a warehouse in the southern region in the previous financial year, the facility has been in full operation since August 2025, further strengthening our regional distribution capabilities. The third-party warehouse established in East Malaysia in the previous financial year also continues to operate, improving efficiency and supporting demand in the region. The Group believes these hubs will help shorten lead times for stock transitions, improve topline growth and will continue to evaluate further expansion of this network in the region in the coming years.

In addition, Padini's investment in a Radio Frequency Identification ("RFID") system to enhance inventory tracking and management is now in operation, having gone live in the financial year 2026 following the completion of testing at our warehouse and retail outlets. We will continue to assess the impact and benefits arising from this system as it becomes further embedded into our operations. To further address inventory loss, the Group has also invested in electronic article surveillance ("EAS") system, deploying ceiling-mounted anti-theft detection devices across our retail outlets. We believe this total investment of approximately RM12 million will lead to better efficiency in inventory management, eliminate limitations arising from shortage of workers, reduce human error and inventory losses.

Apart from that, post-purchase customer experience is also important to a business, how we treat our customers after their purchases determine the customers' satisfaction completion. The question lies in who can execute this and execute it well, every time. Padini is learning every day to improve the lead time in every step by improving efficiency and processes.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATION (Cont'd)

We believe our customers value the unique touch-and-feel experience offered by brick-and-mortar which would not be replicated in the digital world. At the same time, we remain committed to leveraging the right technologies to provide value-for-money products and services that are easily accessible across multiple channels. We believe in working towards the direction where the brick-and-mortar model and online retail model complement each other to provide a richer shopping experience for our customers.

We have extended our e-commerce to Singapore since year 2021. This is an important milestone in widening our market coverage to neighboring countries via our online platform despite the contribution is not significant to the Group revenue.

While we are confident on the longer-term outlook, the immediate focus is on adapting to the changes of the market conditions, including challenges from cost inflationary pressure, volatile market sentiment, shopping behavior and meeting the customers' needs; prudent cost management at all operational levels and provide products that are good in value by increasing the efficiency throughout our value and supply chain. We aim to strengthen our physical stores and digital platforms, with the goal of creating a seamless shopping journey. Padini will continue to leverage technology on our business growth and set business strategy in all aspects.

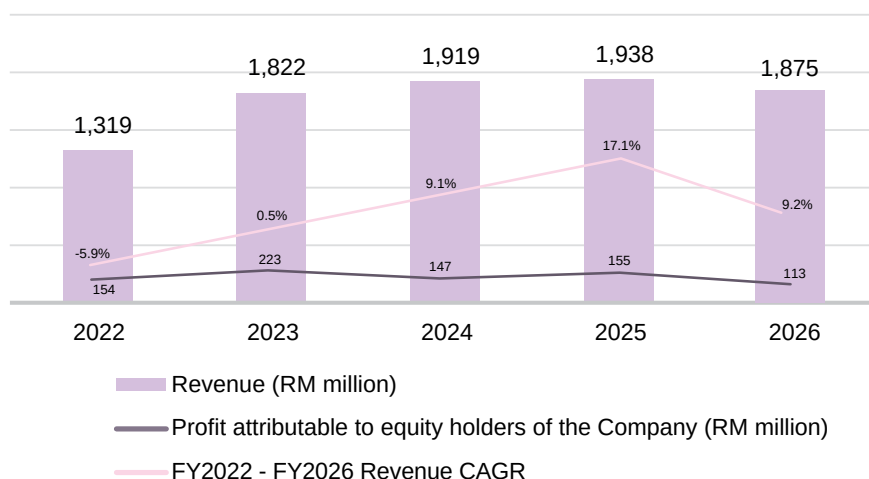
2. FINANCIAL RESULTS AND BUSINESS REVIEW

The following presents the Group's financial and business review for the financial year ended 30 June 2026 ("2026"), compared to the financial year ended 30 June 2025 ("2025").

Revenue and gross profit

For the financial year under review, the Group's performance moderated amid a challenging business environment. The Group recorded consolidated revenue of RM1.88 billion, representing a decline of 3.2% compared to the previous financial year's amount of RM1.94 billion.

Profit before tax decreased by approximately RM48.6 million or 23.2% from the previous financial year's RM209.4 million. However, the Group's gross profit margin remained stable at 39%. The margin fluctuates due to various factors, including sales mix, types of promotion, types of product offer for sales, varied purchase cost and other related influences.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (Cont'd)

From financial year 2022 to financial year 2026, the Group's revenue grew at a compound annual growth rate ("CAGR") of approximately 9.2%, from RM1.32 billion in financial year 2022 to RM1.88 billion in financial year 2026, reflecting the Group's sustained topline growth despite a more challenging operating environment in the latest financial year.

However, profit attributable to equity holders of the Company recorded a CAGR of approximately -7.6% over the same period, declining from RM154 million in financial year 2022 to RM113 million in financial year 2026. This divergence between revenue and profit growth reflects margin pressure arising from rising operational costs.

The Group remains focused on strengthening cost discipline and operational efficiency to sustain profitability, while maintaining a healthy net asset position.

Other income

Interest income earned from local financial institutions remained the primary contributor to other income, accounting for 64.3% (2025: 71.8%) of total other income during the financial year under review.

The Group's other income increased by RM2.9 million or 9.3%, from RM31.3 million in financial year 2025 to RM34.2 million in financial year 2026. This increase was primarily driven by a one-off incentive of RM4.7 million received from a landlord during the financial year, granted to cover specific costs such as renovation and related expenses.

Operating expenses

Operating expenses before finance cost for the financial year under review amounted to RM575.8 million, an increase of RM30.0 million or 5.5% as compared to RM545.8 million recorded in the previous financial year.

The increase was primarily driven by depreciation expense which rose by approximately RM23.0 million. This was partly attributable to the opening of seven (7) new stores and the renovation of fourteen (14) existing stores during the financial year under review, which expanded the Group's depreciable asset base. In addition, a number of stores opened and renovated in the previous financial year had only been depreciated for a partial period in that year; these stores contributed a full twelve (12) months of depreciation in the current financial year, further increasing the overall depreciation charge on a year-on-year basis.

In addition, the expansion of the Sales and Service Tax ("SST") to cover rental and leasing services contributed an additional RM11.0 million in SST-related expenses, further adding to the Group's overall cost base during the period.

Notwithstanding these cost pressures, the Group remains focused on optimising productivity per square foot and enhancing space utilisation across its retail network, to mitigate the impact of rising operating costs going forward.

Finance costs

The Group's finance costs increased to RM31.3 million during the financial year under review (2025: RM29.0 million), mainly comprising interest expense on lease liabilities of RM30.6 million (2025: RM28.2 million). The increase of RM2.4 million in interest expense on lease liabilities was partly attributable to the opening of seven (7) new stores during the financial year under review, which contributed approximately RM0.6 million to the increase in finance costs, with the remaining increase arising from other factors such as lease renewals and rental rate revisions during the period.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (Cont'd)

Tax expense

Tax expense of the Group decreased from RM54.6 million to RM48.2 million, which is in line with the decrease in profit reported in 2026. The Group's effective tax rate in 2026 was higher than statutory tax rate mainly due to non-deductible expenses.

Retailing – Domestic

The Group's domestic operations continued to be the main driver of its revenues and profits, while garments, shoes and fashion accessories remained the Group's core product categories.

In the financial year under review, the domestic market contributed approximately 97.8% of the Group's revenue (2025: 97.0%), while the overseas market accounted for the remaining 2.2% (2025: 3.0%), reflecting a continued concentration of the Group's revenue base within Malaysia.

In the domestic market, our products are sold through numerous retail stores, consignment counters, as well as internal and external online portals.

Across our multi-brand Padini Concept Store and single-brand stores, our products are carried under the following brand names; Vincci, Vincci Accessories, Vincci Mini, Padini Authentics, PDI, Padini, Seed, Miki, and P&Co, all of which are owned by the Group. These brands are widely known by Malaysian consumers and are readily available in the major shopping malls in Malaysia. In addition, the Group leverages several house brands to market the value-for-money merchandise offered through its Brands Outlet stores.

For the financial year ("FY") under review, the individual performance of the five (5) trading subsidiaries are indicated in the table below.

Company	FY2026 (RM'million)	FY2025 (RM'million)	FY2024 (RM'million)
Vincci Ladies' Specialties Centre SB			
Revenue	185.4	216.4	235.5
Profit before Tax	10.2	21.6	41.5
Padini Corporation SB			
Revenue	602.5	604.0	610.3
Profit before Tax	47.1	69.6	43.3
Seed Corporation SB			
Revenue	174.0	171.2	176.4
Profit before Tax	11.7	12.5	15.6
Yee Fong Hung (M) SB			
Revenue	829.2	855.2	807.5
Profit before Tax	68.2	81.6	75.4
Mikihouse Children's Wear SB			
Revenue	45.5	45.7	42.6
Profit before Tax	4.9	5.0	4.4

All trading subsidiaries in the domestic market were in profitable position for the financial year 2026.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (Cont'd)

Retailing – Domestic (Cont'd)

The following table summaries the Group's domestic retail network by brand, as at the dates indicated.

Brands – Domestic Market	As at 30.6.2026	As at 30.6.2025	As at 30.6.2024
Vincci, Vincci Accessories, Vincci Mini			
Free-standing stores	27	26	20
Consignment counters	1	1	1
Seed			
Consignment counters	3	3	3
Padini Authentics			
Free-standing stores	1	1	1
Consignment counters	3	3	3
PDI			
Free-standing stores	4	5	7
Padini			
Consignment counters	2	2	2
Miki Kids			
Consignment counters	1	1	1
P&Co			
Consignment counters	1	1	1
Brands Outlet	55	56	52
Padini Concept Store (Multi-brands)	53	50	49
Total	151	149	140

In the domestic sector, the Group has, as at 30 June 2026, a total of one hundred and fifty-one (151) retail stores, comprising thirty-two (32) Free-standing stores, fifty-three (53) Padini Concept Store, fifty-five (55) Brands Outlet and eleven (11) consignment counters. Except for three (3) Free-standing stores, six (6) Padini Concept Store and six (6) Brands Outlet located in Sabah and Sarawak, the remaining stores are located throughout Peninsular Malaysia.

In the financial year under review, the Group opened three (3) Padini Concept Store, two (2) Brands Outlet and two (2) Free-standing stores. While three (3) Brands Outlet and two (2) Free-standing stores were closed as part of the Group's strategy to maximise return on equity and streamline operations.

During the financial year under review, fourteen (14) stores were temporarily closed for renovation and relocation to optimise store layout and enhance customer shopping experience. These fourteen (14) stores have been reopened during the financial year. An additional two (2) stores remained temporarily closed for renovation at year-end and are expected to reopen in the first quarter of the financial year 2027.

As at 30 June 2026, the total gross floor area operated by the Group in Malaysia was approximately 1,571,000 square feet (2025: 1,551,000 square feet), of which 819,000 square feet (2025: 797,000 square feet) and 683,000 square feet (2025: 683,000 square feet) were attributable to Padini Concept Store and Brands Outlet respectively, with the balance attributable to our Free-standing stores.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (Cont'd)

Retailing – Abroad

Revenue derived from overseas markets accounted for 2.2% or RM41.4 million (2025: 3.0% or RM58.9 million) of total Group revenue, a decrease of RM17.5 million year-on-year. The decline was mainly due to lower sales from franchise stores and own-managed overseas stores in Cambodia.

The Group's overseas presence is established through two arrangements: stores managed directly by the Group's own management ("own-managed overseas stores") and stores operated by licensees ("Franchise stores").

For own-managed overseas stores, products are sold through retail stores as well as external online portals such as Shopee, Lazada and TikTok. The number of own-managed overseas stores as at the respective financial year-end dates is as follows:

	As at 30.6.2026	As at 30.6.2025	As at 30.6.2024
Cambodia			
Brands Outlet	2	3	3
Padini Concept Store	2	3	3
Thailand			
Free-standing stores (VNC label)	5	5	7
Total	9	11	13

Revenue generated from own-managed overseas outlets accounted for 2.0% (2025: 2.4%) of the Group's revenue, which decreased by RM8.9 million from RM45.6 million to RM36.7 million as compared to the financial year 2025. As at 30 June 2026, the total gross floor area operated by the own-managed overseas stores was approximately 49,000 square feet (2025: 72,000 square feet). During the financial year, no stores were opened or closed in Thailand, while in Cambodia, one (1) Padini Concept Store and one (1) Brands Outlet store were closed.

The Group's revenue derived from licensees amounted to 0.2% (2025: 0.6%). The following are retail stores managed by licensees ("Franchise stores"), all of which sell shoes and fashion accessories under the Vincci (or VNC) label.

Locations	As at 30.6.2026	As at 30.6.2025	As at 30.6.2024
ASEAN:			
Brunei	1	1	1
UAE	8	10	12
Oman	2	3	3
Qatar	-	1	1
Bahrain	2	2	2
Total	13	17	19

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (Cont'd)

Digital platform

The Group embarked on its e-commerce journey at the end of 2015, building from a zero base with the objective of establishing a digital marketing channel capable of meeting customers' needs at the right time. This journey began with the development of Padini.com, a user-friendly online shopping website offering customers a convenient platform to browse and purchase fashion products.

The launch of the Padini Mobile App in the financial year 2021 enabled the Group to continue delivering a better and more convenient shopping experience for customers. Beyond direct sales channels, the Group has also maintained an active presence across social media platforms including Facebook, TikTok and Instagram to build brand awareness and expanded onto Xiaohongshu in the financial year 2024.

Moving forward, we will continue to explore additional online platforms to broaden our sales channels. While the current sales contribution from e-commerce remains a small proportion of Group revenue, we view this as an essential step in our regional expansion strategy and in elevating the Padini brand to the next level.

Social media followers as at 30 June 2026, unless otherwise stated :

	Malaysia 	Cambodia 	Thailand 
	—*	—*	81,616
	—*	—*	2,566
	1,017,693	51,049	103,589
	550,917	97	8,301
	—*	—*	10,941
	613,624	2,332	27,752
	72,199	—*	—*
	1,278,613	—*	—*

* Indicates that Padini has not engaged this social media channel in the respective country.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (Cont'd)

Financial Position Review

Total assets and liabilities of the Group stood at RM2.1 billion (2025: RM2.1 billion) and RM0.8 billion (2025: RM0.9 billion) respectively. The marginal decrease in total assets and total liabilities was partly driven by lower inventories and payables, consistent with the decrease in total purchases arising from softer topline performance.

Liquidity Indicators

	As at 30.6.2026	As at 30.6.2025	As at 30.6.2024
Liquidity ratio	4.78	4.52	4.38
Acid test ratio	3.54	3.06	3.32
Interest bearing borrowings (RM million)	3.9	9.0	13.5
Total equity (RM million)	1,205	1,185	1,111
Gearing ratio (%)	0.32	0.76	1.21

The Group's capital expenditure and working capital are mainly financed by cash generated from its operations. The liquidity ratio measures the Group's ability to meet its short-term debt obligations by comparing current assets against current liabilities. For a financially sound company, its acid test should exceed one (1), indicating that current assets are not overly dependent on inventories and the Group is able to meet its current liabilities as and when they fall due.

The Group has maintained healthy liquidity indicators throughout the financial years under review, with both liquidity ratios and acid test ratios reflecting a sound cash reserve position. The Group has also maintained a relatively low level of liabilities for the financial years under review. The gearing ratio has declined from 0.76% to 0.32% primarily due to repayment of hire purchase borrowings relating to warehouse automation during the financial year under review.

Capital Management

There was no change in the share capital of the Company during the financial year. There was no major capital investment during the financial year, other than disclosed in Note 5 to the financial statements for the capital expenditure incurred during the financial year.

3. INTELLECTUAL PROPERTY ("IP") PRODUCTS

In the fashion industry, collaborations have become an increasingly important form of Intellectual Property strategy to attract new customer segments and strengthen brand positioning. The Group continues to expand product portfolio through strategic collaboration with globally recognised IP brands. These licensed partnerships allow Padini to create resonance with customers across different age groups. This collaboration demonstrates our strategy of staying relevant and responsive to lifestyle trends.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

4. RISKS AND UNCERTAINTIES

The Group's business activities, operations, financial results and growth prospects are subject to the risks and uncertainties in the marketplace that it operates. There are inherent risks arising from unfavourable changes in general economic and business conditions and rising costs that could result in different outcomes from the planned result.

The following risks are not exhaustive and there may be other risks which are not known to the Group. The risks and uncertainties that could potentially have an impact on the information disclosed are difficult to predict.

Economic uncertainty

The outlook for the domestic economy is projected to be challenging in 2026. The impact on consumer spending will very much depend on the delicate balancing act of the Government in supporting the people via financial aids, tax system, aside to control the budget deficit versus the aim to put more disposable income into the hands of the rakyat in the face of global uncertainties. Market confidence and sentiment and employment are the important elements in spending level and spending pattern.

Trading conditions are expected to remain uncertain and challenging for retailers for the second half of 2026 and 2027. Downside risks include inflation, political stability, tighter global financial conditions and uncertainty over the government's fiscal situation. There will be lingering concerns over unemployment, recession, rising cost of living and its impact on consumer sentiment as consumers remain cautious and selective in their spending.

The Group seeks to limit these risks through, among others, prudent management policies, continuous review and evaluation of the Group's operation and strategies, close working relationships with the stakeholders, continuous quality customer services, human resource development and technology upgrades.

The direction of our business will continue to focus on offering more value for money clothing and accessories to all levels of the income group. We believe affordable clothing will continue to be a necessity.

Competition

Other than local economic and social developments, apparel players in Malaysia are also impacted by penetration of international players, which is the trend of borderless trading that promotes free trade among countries. International players may have greater resources and business models that provide a better shopping experience. Competition emerges in many ways, such as product quality, price comparison, product variety and speed of delivery of trendy apparel to market and product life cycle and distribution channels. This is the era where consumers have higher expectations of what a company can deliver, quality, value proposition, convenience, newness and innovation.

The fashion industry is also evolving into an important phase of digital adoption by the consumer, the continuous growth of e-commerce leading to changes in consumer consumption patterns. Incorporating technology into a brand can be a powerful marketing tool in driving consumer habits. The availability of technology and the myriads of choices and information at the consumers' disposal have made it even more challenging for retailers to stay relevant to their customers. With the ease of reaching out information at consumers' fingertips, consumers are becoming less brand loyal. Consumers will switch brands when there are offers with better prices and better value.

The country's competitive retail landscape also witnesses signs of consolidation while at the same time, addition of new retail space as well as continuous transformation and modernisation of retail formats happen. Shopping landscape has changed from heavily on traditional business model, to a complex journey across online and offline touchpoints. Spending habits and purchase decisions of consumers have also been greatly affected by new communication channels, especially social media, video streaming and peer reviews.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

4. RISKS AND UNCERTAINTIES (Cont'd)

Supply Chain Capabilities and Performance

It is very important to have a robust supply chain for the Group to ensure good product varieties, good quality of products and speedy supply. Poor management in this area is a big risk to the survival of the Group.

Besides maintaining a good relationship with existing good suppliers, sourcing new suppliers that can meet our requirements is also one of the important key performance indicators for our Sourcing department. Basic factors to consider while sourcing new suppliers include pricing, quality, lead time, quality workmanship, production capacity and suppliers' ethical operation. The Group also further evaluates the environment, social and governance footprint of the supplier, such as ethical labour practices, sustainability of material used and production line.

Poor supply chain performance can lead to many problems that deteriorate profit and are detrimental to the reputation of the Group. This includes insufficiency and discontinuity of bestselling products, keeping excessive inventory, inefficient logistics arrangement and poor sourcing choices. This is a continuous effort and the performance is reviewed on a regular basis.

Sustainability and Climate-Related Risks

Sustainability factors are becoming more relevant globally and to the Group's operation in all areas. As stakeholders' expectations and customers' awareness grow on sustainability issues such as responsible sourcing, environmental management and overall corporate responsibility, it raises reputational challenges if these matters are not adequately addressed. Meeting these expectations may also require additional investments to strengthen sustainability execution and reporting, which could affect short-term margins but are considered essential for long-term business resilience.

At the same time, regulators and investors are looking into more structured and transparent sustainability reports, driven in part by the introduction of the International Financial Reporting Standards (IFRS) S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures. In this regard, this year marks the first year the Group has incorporated IFRS S1 and S2 considerations into its reporting, reflecting our commitment to aligning with global sustainability disclosure standards. This transition has heightened the needs for the Group to embed robust business processes, including effective execution, monitoring process, data collection and disclosure requirements. Insufficient response to these requirements may give rise to compliance risk and deteriorate stakeholders' and investors' confidence in the Group. Moving forward, the Group will continue to enhance the sustainability framework to ensure alignment with global standards.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

5. DIVIDENDS

In respect of the financial year under review, the following dividends were declared and paid:

- a first interim dividend of 1.8 sen per ordinary share (single tier) amounting to RM17,763,553.91 for the financial year ended 30 June 2026 that was declared on 27 August 2025 and was paid on 30 September 2025.
- a second interim dividend of 1.8 sen per ordinary share (single tier) amounting to RM17,763,553.80 for the financial year ended 30 June 2026 that was declared on 28 November 2025 and was paid on 26 December 2025.
- a third interim dividend of 1.8 sen per ordinary share (single tier) amounting to RM17,763,553.67 for the financial year ended 30 June 2026 that was declared on 26 February 2026 and was paid on 27 March 2026.
- a fourth interim dividend of 1.8 sen per ordinary share (single tier) amounting to RM17,763,555.33 for the financial year ended 30 June 2026 that was declared on 26 May 2026 and was paid on 29 June 2026.
- a special dividend of 2.0 sen per ordinary share (single tier) amounting to RM19,737,281.83 for the financial year ended 30 June 2026 that was declared on 26 May 2026 and was paid on 29 June 2026.

The Board does not currently intend to establish a fixed dividend policy. Instead, the Board strives to provide consistent dividend returns to shareholders while retaining sufficient flexibility over the Group's cash flows to support its business operations and future expansion plans.

6. FORWARD-LOOKING STATEMENT

Due to the difficulties in predicting the financial impacts of the risks and uncertainties on the business, the Group undertakes no obligation to publicly update any of the forward-looking statements if any unforeseen circumstances arise which might affect them.

In tandem with the global environment, the year ahead will be an arduous journey riddled with uncertainties in all aspects, as the direction of global economy is uncertain and unpredictable.

Locally, business in Malaysia is expected to be challenging because of the inflation affecting consumer purchasing power. The Group remains optimistic about the long-term sustainability of the business and are focusing our effort to further rationalise the retail business by streamlines processes and measures to control the operating costs while extending and exploring various sales channels.

As of the reporting date, the Group plans to refurbish a total of thirteen (13) stores in Malaysia during the financial year 2027. Of these, two (2) stores were temporarily closed at year-end for renovation and are scheduled to reopen in the first quarter of financial year 2027. For overseas markets, we will actively monitor the market condition and evaluate our business strategy on a regular basis to maximise the returns.

To maintain, or even improve, our merchandising, pricing and promotional strategies will continue to be focused on being relevant to our customers; concentration will still be on design, quality and affordability, where we strive to bring the best value to our customers in the shortest time-to-market possible. The latest fashion trends need to be made available in the store in the shortest time possible, at the right price, before it loses its appeal.

Whilst we are still very much centered on the brick-and-mortar business, a lot of effort has been put in to grow our online business by increasing the awareness of our products in our online channels and improving the infrastructure for e-commerce. Developing new online shopping experiences and enhancing shopping convenience to our consumers is a continuous effort of the e-commerce division. We believe digital retailing of the Group will have a positive impact on the Group both as a complementary business channel and for future growth.

While we are not expecting major contributions from the stores and online platforms in Cambodia and Thailand, online sales to Singapore and our mobile app in the financial year 2027, we envisage the Group will continue to grow with improving our product quality and enhancing the buying experience of our customers.

OUR BUSINESS MODEL

We operate within the buy-and-sell business model, wherein we engage in designing and purchasing a diverse range of our own brand products including apparel, accessories, and footwear from our various suppliers or manufacturers. At present, our third-party manufacturers are based in China, India, Malaysia, Thailand, Myanmar and Bangladesh. Subsequently, we sell these products through our retail channels, including physical stores and online platforms. Our business strategically offers our products to cater to diverse customer preferences and market demands, while continuously monitoring trends to stay relevant in the fashion industry.

As a buy-and-sell retailer, we oversee the full spectrum of activities across value chain including product design, inventory management, supply chain logistics, as well as retail operations to deliver seamless shopping experience to our customers. By engaging a diverse network of suppliers to manufacture our own branded products, we are able to maintain a diverse product portfolio, offering customers with ample choice in terms of styles, designs, ages and gender at affordable price points.



Key Activities	Key Partner	Value proposition	Customer relationship	Customer segment
Design and Merchandising	Suppliers (3 rd party Manufacturer, warehouse, logistic partner)	Product assortment	Social media	End customers
Sourcing and Quality Control		Fast trend products at ideal location	Exchange of goods	
Logistics, Warehouse, and Inventory Management	Shopping malls (Landlord)	Shopping conveniences	Loyalty programme	Channels
Marketing	Key Resources	People development	Feedback	
Sales and Operations	Brands	Corporate social responsibilities	Retail stores	Export
e-commerce	Human		Consignment	
Customer Service and Relationship	Natural resources		e-commerce	
			Mobile app	

PLANNING

1. Design and Merchandising

Our Design and Merchandising department play a crucial role in the success and growth of the Group by aligning products with market demands, enhancing customer satisfaction, and ensuring a competitive edge in the industry. They are responsible for researching and designing products. They conduct market research and analyse current market and demand trends for top-selling products. This helps them understand market conditions and customer preferences.



OUR BUSINESS MODEL (CONT'D)

2. Sourcing

The Sourcing department team sources product and material suppliers, negotiates pricing, and request products samples. They procure materials from an approved list of vendors, negotiates the best price and terms, and present recommendations to the Management for new products planning. The Sourcing department is important because it is responsible for finding reliable suppliers, negotiating favourable terms, and securing cost-effective materials, which directly impact product quality, availability and overall business profitability.

PRODUCTION

3. Quality Control ("QC")

QC team works with suppliers to ensure the products meet the quality standards and conducts inspection on manufactured products before delivering them to the customers.

SALES

4. Logistic and Warehouse Management

Our Logistic department collaborates closely with the Design and Merchandising department, Sales and Operations department, Sourcing department and third-party logistic companies. They coordinate stock purchase, stock keeping, returns and collection from stores as well as packing and preparing shipments for timely delivery to Padini stores. They play a vital role in streamlining operations, reducing costs, meeting customer demand, and seeks third-party transportation services providers to deliver goods from warehouse to stores, all of which are essential for the success and growth of Padini.

The warehouse department of the Group manages stock movement and oversees third-party warehouses. They inspect incoming goods to ensure they match the purchase order. Warehouse department efficient management of stock movement, quality control and collaboration with other departments play an important role in optimising costs.

5. Marketing

Our Marketing and Advertising & Promotion teams are responsible for executing advertising, promotion and publicity plans for products and services. This includes organising campaigns, product price promotions, discounts, and customer engagement programme in shopping malls. Furthermore, the Marketing department ensures the corporate image of Padini is consistent through corporate identity guidelines. This involves maintaining uniformity in brand logos, signboards, fonts, and displays across all retail outlets to project a cohesive brand image.



OUR BUSINESS MODEL (CONT'D)

SALES (Cont'd)

6. Sales and Operation

Our Sales and Operations team ensures the efficient operation of Padini stores. They manage staffing, sales, cost control and order placement. They work to align the Company's budget to individual stores and region based on historical sales and market demand. In addition, the Team also collaborates closely with Design and Merchandising to set sales targets and plan product volumes. Regular store visits are conducted to monitor efficiency of stores and provide recommendations for improvements. Furthermore, the department conducts quality checks on garment, footwear and accessories to ensure they meet the required standards. They also handle customer complaints and provide feedback.

7. e-commerce



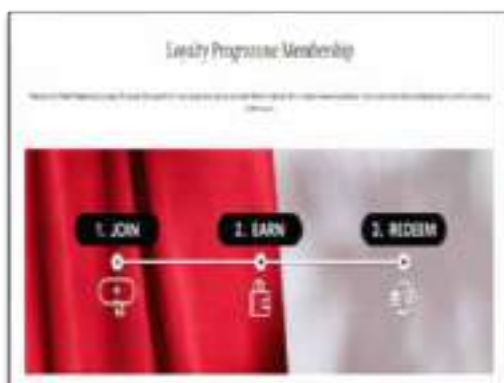
Our e-commerce started in 2015 and manages the Group's online shopping website. They upload website content, process sales orders and handle customer queries. The Department collaborates with the Merchandising department to obtain products sample for online sales and conduct product photoshoots for display on the webpage. This department is important to maintain the Group's online presence and is one of the business components to thrive in the digital age. Our sales from e-commerce contributed approximately 1% (2025: 1%) of total Group's revenue.



8. Customer Service and Relationship

Our customer relationship team handles customers complaints and queries to ensure customers' needs are addressed. This department plays an important role for building strong customer relationships, enhancing brand reputation by keeping customers satisfied and engaged.

Furthermore, our loyalty programme membership was established with the goal of enhancing customer satisfaction and encourage continued engagement with our valued customers.



VINCCI



OUR VALUE CREATION MODEL

VISION: To Be The Best Fashion Company Ever

We have to focus our efforts to have the best values products in the market with the best shopping experience we can offer, whilst practicing responsibility and sustainability.

INPUTS



FINANCIAL CAPITAL (as of 30 June 2025)

- Market capitalisation: RM2.07 billion
- Shareholder equity: RM1.2 billion
- Cash and bank balances: RM0.8 billion
- Total assets: RM2.1 billion



INTELLECTUAL CAPITAL

- Brands differentiation and values
- Garments industry knowledge and experiences
- Industry best practices such as business market focus strategy



NATURAL CAPITAL

- We use cotton, water, energy for garments production
- Trees for product packaging
- Energy for logistics, warehouse and premises



MANUFACTURED CAPITAL

- Market's reach of one hundred forty-nine (149) stores in Malaysia and eleven (11) stores in Thailand and Cambodia
- We have three (3) inhouse and four (4) outsourced warehouses' facilities dedicated to storing our inventory



HUMAN CAPITAL

- Approximately 3,400 of employees worldwide
- Diverse and equivalent team
- Training, development programmes implementation



SOCIAL AND RELATIONSHIP CAPITAL

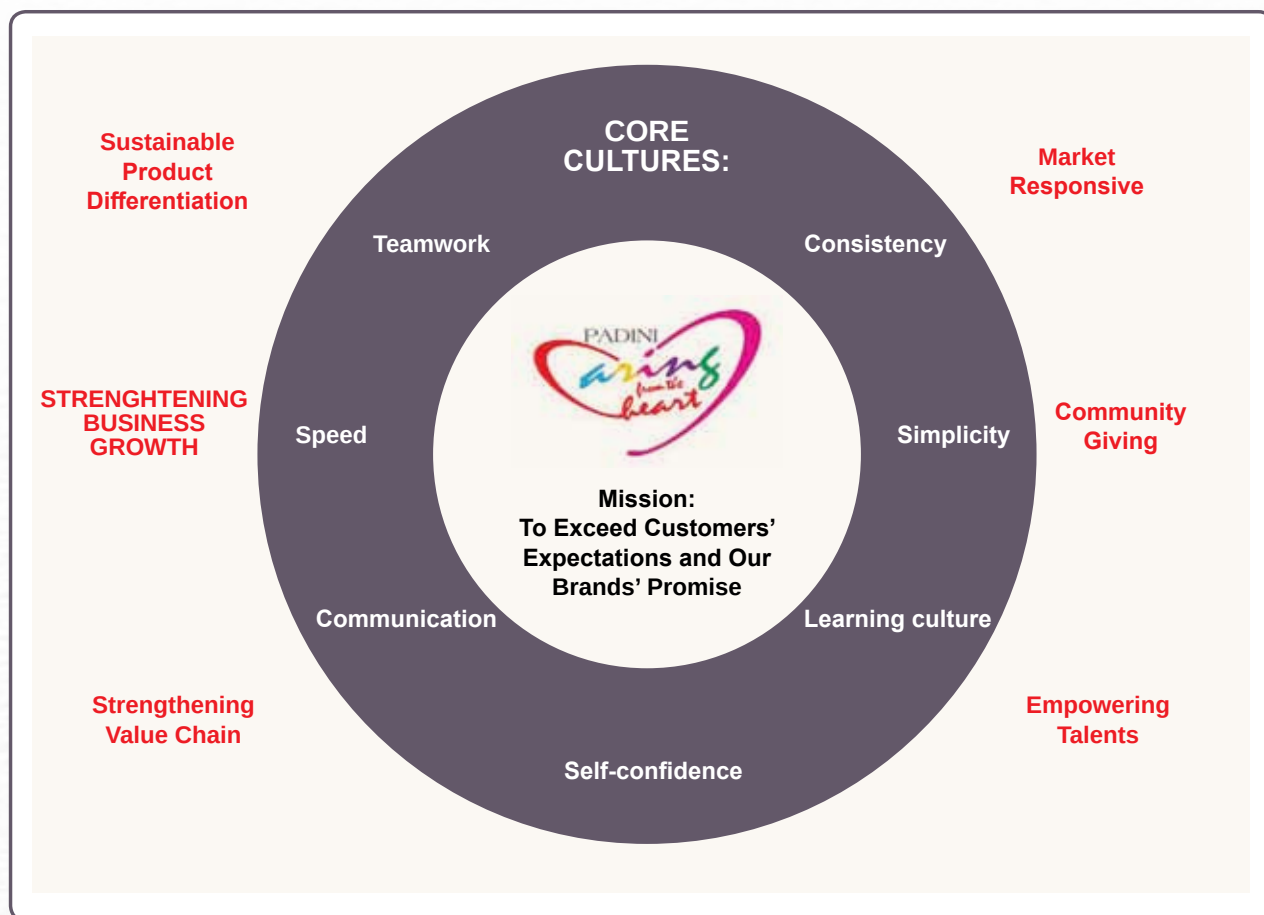
- Long-term relationship with suppliers
- Collaboration and involvement in community

OUR VALUE CREATION MODEL (CONT'D)

VALUE CREATION PLAN

PLANNING

PRODUCTION



MATERIAL MATTERS

1. ECONOMIC
2. ENVIRONMENTAL
3. SOCIAL

(Refer to pages 54-56 for further detail)

RISKS AND MITIGATION

(Refer to pages 43-47 for further detail)

GOVERNANCE

(Refer to pages 136-145 for further detail)

STAKEHOLDER ENGAGEMENT

(Refer to pages 52-53 for further detail)

OUR VALUE CREATION MODEL (CONT'D)

OUTPUTS



FINANCIAL CAPITAL (for the financial year ended 30 June 2026)

- Revenue: RM1.9 billion
- Net profit: RM0.1 billion
- Earnings per share: 11.41 sen
- Dividend per share: 9.20 sen
- Strong cash flow: RM357 million generated from operating activities
- Market capitalisation: RM1.40 billion



INTELLECTUAL CAPITAL

- Developed diverse brands portfolio that cater fashion-conscious consumers of both genders and all ages including Padini, Seed, Padini Authentics, PDI, P&Co, Miki, Vincci, Vincci Mini, Vincci Accessories and Brands Outlet.



NATURAL CAPITAL

- 1,172,400 eco-friendly apparel and footwear units procured to minimise environment impact.
- LED lighting installation with energy consumption saving of 49% wattage.
- 5.6GWh clean energy produced.



MANUFACTURED CAPITAL

- Seven (7) stores newly opened in Malaysia.



HUMAN CAPITAL

- Well trained employees with high retention rate of 97.0%
- Strong female representation in team and leadership
- Healthy succession pipeline
- Invested RM0.7 million towards training for all employees
- Invested RM2.5 million towards staff welfare



SOCIAL AND RELATIONSHIP CAPITAL

- Continuous long-term relationship with suppliers
- Fostered community collaboration by engaging with 12 NGOs

OUR VALUE CREATION MODEL (CONT'D)

OUTCOMES



SHAREHOLDERS AND INVESTORS

- Business growth and profitability with shareholder returns



LOCAL COMMUNITIES AND PUBLIC

- Mitigated negative environmental impacts through responsible resource and management
- Accelerated digitalisation



GOVERNMENT AND REGULATORY AUTHORITIES

- Responsible tax payments for country's development and economic growth
- Transparency in corporate reporting and government



CUSTOMERS

- Undisrupted supply and after sales service
- Shopping conveniences with different type of payment mode
- Wide range of product choices



EMPLOYEES

- Safe and inclusive working environment which prioritises team's well being
- Opportunities and development



SUPPLIERS

- Knowledge sharing to enhance sustainability of the value chain



SHOPPING MALLS

- Profitability to help business growth



OUR BUSINESS RISKS AND MITIGATION

The Group's business activities and operations are susceptible to the risks and uncertainties prevailing in the marketplace where it operates, which may arise from adverse changes in general economic and business conditions, as well as increasing costs, which could lead to outcomes different from what was originally planned.

Declining market demand

Risk description:

Declining market demand for fashion retailers operating in the "brick and mortar stores" concept may arise from a change in consumer spending behaviour towards mobile gadgets rather than clothing, the emergence of disruptive e-commerce innovations, Padini's failure to adapt to shifting customer preferences, and ineffective advertising efforts.

Potential impact:

- Erosion of market share.
- Inability to achieve targeted revenue.
- Slow-moving stock which increases holding cost and impacts financial performance if inventory is required to be written off.

FY 2026 impact:

Softer top-line performance, reflecting weaker consumer demand amid a more competitive retail environment.

Mitigation Measures:

- Allocate sufficient budget for advertising and promotional activities based on planned programmes.
- Annual promotion and clearance sales to stimulate sales.
- Established e-commerce platform allowing consumers to shop online and return goods to Padini's stores.
- Reward customers with e-birthday vouchers and reward points convertible into e-Rebates through the Padini app.
- Product differentiation among brands.
- Increase product varieties, e.g. expanding into loungewear and innerwear for ladies.
- Introduction of the Padini app to capture more customers.

Opportunities:

- Continued growth of e-commerce and social commerce presents an opportunity to capture customers shifting away from physical retail, complementing rather than cannibalising store sales.
- Recovery of domestic and regional tourism supports footfall and demand for affordable, quality fashion at Padini's physical stores.
- Data captured through the Padini app and loyalty programme creates opportunities for more targeted marketing and improved customer retention.

Material Matters

- Our Customer
- Business Performance
- Market Presence

Capital Inputs



Financial Capital



Intellectual Capital



Social and Relationship Capital



Manufactured Capital

Stakeholders



Customers



Shareholders and Investors



Shopping malls

OUR BUSINESS RISKS AND MITIGATION (CONT'D)

Competition Risk		
Risk description: Competition risk refers to competitive forces that could prevent Padini from achieving its goal of becoming the leading fashion company. While Padini's strong customer base has made it the leader amongst homegrown fashion brands, consumer loyalty towards global brands as well as fashion e-commerce platforms, pose ongoing threats to market share. Potential impact: • Pressure on market share, which stifles the Group's expansion ambitions. • Gradual erosion of market share, which could be irreversible. • Profit margins affected due to increasing competition	FY 2026 impact: Number of stores remained broadly at 151 as at 30 June 2026 increase from 149 stores in last financial year. Mitigation Measures: • Gain competitors' market share through more competitive pricing, better service and product quality. • Faster speed to market in adapting to the latest fashion trends. • Increasing product varieties, including undergarments, sport wears and products with IP collection. • Housing of various brands under one roof via the Padini Concept Store and Brands Outlet to provide choices to customers. • Allocate sufficient budget for advertising and promotional activities based on planned programmes. • Expand into neighbouring markets, e.g. Cambodia and Thailand, to gain a bigger customer base. • Use of e-commerce platform for higher and wider customer reach, promotion and sales. • PMC Loyalty Programme rewards customers via rebates, birthday discounts and member-exclusive promotions. Opportunities: • Regional expansion into markets such as Thailand and Cambodia offers opportunities to diversify revenue sources and capture growing regional demand for affordable, quality fashion. • The Group's diversified brand portfolio (covering multiple price points, styles and demographics) allows it to compete across a wider range of market segments than single-brand competitors.	
	Material Matters • Our Customer • Business Performance • Our Employees	Capital Inputs  Financial Capital  Manufactured Capital  Intellectual Capital Stakeholders  Customer  Shareholders and Investors  Employees

OUR BUSINESS RISKS AND MITIGATION (CONT'D)

Sub-standard product quality		
Risk description: Padini's reputation and its position as market leader in the local fashion industry rely on its product value for money, one of the Group's key core competencies. Product quality is therefore a key concern in upholding its market position and operating on a sustainable basis. As Padini does not manufacture its own products, it designs and provides specifications/drawings to its base of suppliers for mass production, requiring stringent monitoring to ensure completed products accord with agreed specifications (e.g. avoiding poorly sewn seams, stains around embroidery, poorly done dyeing work). Potential impact: - Adverse impact on the Group's image and reputation. - Loss of customers/market share.	FY 2026 impact: Stock returns and customer complaints arising from product quality issues remained low across brands during the financial year, reflecting the continued effectiveness of supplier quality control measures, with no material financial impact on the Group's business operations. Mitigation Measures: - Vendor agreements stipulate that any rectification cost due to inferior product quality is borne by the vendor. - Yearly factory assessments performed, with improvement opportunities highlighted to suppliers. - Regular meetings held with suppliers to discuss quality/workmanship issues and remedial measures. - Quality control performed at Agent/Distribution Centre before delivery, focusing on workmanship. Opportunities: - Strengthening quality control processes reinforces Padini's reputation for value-for-money products, supporting customer trust and brand loyalty relative to competitors. - Lower stock returns and rectification claims translate directly into cost savings and improved supplier accountability over time. - Consistent product quality supports the Group's ability to command better pricing and margins on higher-value product lines.	
Material Matters - Responsible Sourcing - Our Customer - Compliance	Capital Inputs  Financial Capital  Natural Capital  Social and Relationship Capital  Manufactured Capital	Stakeholders  Customer  Shareholders and Investors  Suppliers

OUR BUSINESS RISKS AND MITIGATION (CONT'D)

Ineffective supply chain management		
Risk description: Padini's retail operations require timely delivery of stock, particularly for festive-related products. Disruptions at any stage of the supply chain — including supplier capacity limitations, natural disasters, suppliers prioritising other customers, changes in regulations, frequent rejection of products due to quality issues, theft/pilferage, or delays in transit — may result in stores being unable to obtain required stock on time. Potential impact: • Opportunity cost from lost sales during stock-out periods. • Over-stock situation due to stock arriving after peak season.	FY 2026 impact: Stock-out incidents increased, indicating pressure on supply chain responsiveness during peak demand periods; however, this has not had a significant impact on the Group's overall business operations. Mitigation Measures: • Closely monitor international shipping information and respond to pertinent developments. • Maintain close communication with suppliers via Production Status Reports to stay informed of logistics or production issues. • Combine orders of large-quantity articles with small-quantity articles (shared resources). • Perform annual supplier assessments and drop non-performing suppliers based on Supplier Evaluation Reports. • Track vendor capacity and place orders accordingly. • Continuous sourcing for additional suppliers/vendors. • More diversified sourcing across countries Opportunities: • Diversifying the supplier base reduces reliance on any single source and strengthens the Group's resilience against regional disruptions, natural disasters or regulatory changes. • Continued investment in warehouse automation and RFID inventory tracking (now in operation in the financial year under review) improves stock visibility and reduces the frequency and impact of stock-out situations. • Stronger supplier relationships built through regular engagement and evaluation can support faster speed-to-market for new fashion trends, a key competitive differentiator.	
Material Matters • Responsible Sourcing • Our Customer	Capital Inputs  Financial Capital  Natural Capital  Social and Relationship Capital  Manufactured Capital	Stakeholders  Customer  Shareholders and Investors  Suppliers

OUR BUSINESS RISKS AND MITIGATION (CONT'D)

Sustainability and climate-related risks

Risk description:

The Group is exposed to a range of climate-related and broader sustainability risks. These include climate physical risks from coastal flooding and climate-related disruption to raw material sourcing, climate transition risk from rising energy costs linked to carbon pricing, and other sustainability-related risks concerning labour and environmental practices in the supply chain, chemical management in products, and regulatory compliance.

Potential impact:

- Flooding could disrupt retail and logistics operations.
- Climate factors could raise raw material costs and supply risks (cotton, synthetic fibres).
- Energy costs could rise due to carbon pricing.
- Gaps in supply chain labour and environmental practices, product compliance, or legal and regulatory compliance could damage the Group's reputation and expose it to legal risk.

FY 2026 impact:

- No material financial impact was recorded in the current period. The Group continued to meet its obligations under all applicable laws and regulations.

Mitigation Measures:

- Maintaining flood insurance and diversified supplier relationships.
- Expanding the Group's sustainable product series.
- Investing in solar power and energy-efficient lighting.
- Conducting supplier assessments.
- Installing multiple Electric Vehicle ("EV") charging stations.

Opportunities:

- Growing consumer demand for sustainable fashion presents an opportunity to differentiate the Group's product offering through its expanding sustainable product series.
- Investment in solar power and energy-efficient lighting reduces long-term energy costs and supports resilience against future carbon pricing developments.

Material Matters

- Energy Consumption and Climate Change
- Responsible Sourcing
- Compliance

Capital Inputs



Financial Capital



Natural Capital



Social and Relationship Capital



Manufactured Capital

Stakeholders



Customer



Shareholders and Investors



Suppliers



Employees



Government and Regulatory Authorities

SUSTAINABILITY STATEMENT

1. BASIS OF PREPARATION

1.1 Compliance with IFRS Sustainability Disclosure Standards

The sustainability statement of Padini Holdings Berhad and its subsidiaries ("Group") for the financial year ended 30 June 2026 has been prepared in accordance with the IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board ("ISSB") in line with Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

In addition, we have referred to the relevant disclosure topics under the Apparel, Accessories and Footwear Sustainability Accounting Standards Board ("SASB") Standard.

1.2 First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for the financial year ended 30 June 2026. It has applied the following standards for its annual reporting period commencing 1 July 2025:

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

In the first year of reporting under the IFRS Sustainability Disclosure Standards, the following transition reliefs provided by the IFRS Sustainability Disclosure Standards have been applied:

- Relief from disclosing comparative information
- Relief from disclosing Scope 3 greenhouse gas ("GHG") emissions

The Group has also applied the proportionality mechanisms available in the standards and disclosed qualitative (rather than quantitative) information on the anticipated financial effects and climate scenario analysis using reasonable information without undue cost and effort.

1.3 Connectivity with financial statements

The sustainability-related financial disclosures cover the financial year ended 30 June 2026, which is aligned with the reporting period of the Group's financial statements. The sustainability-related financial disclosures cover the same reporting entities as the financial statements of the Group.

The time horizons used for assessing these risks and opportunities are as follows:

- Short term: Next 12 months
- Medium term: Up to year 2030
- Long term: Up to year 2050

1.4 Other guidelines and standards

This Sustainability Statement has also been prepared with reference to the GRI Standards 2021 to support disclosures on the Group's broader sustainability matters and impacts.

SUSTAINABILITY STATEMENT (CONT'D)

2. OVERVIEW OF THE GROUP AND VALUE CHAIN

The Group operates within the buy-and-sell business model, wherein we engage in designing and purchasing a diverse range of our own brand products including apparel, accessories, and footwear from our various suppliers or manufacturers. At present, our third-party manufacturers are based in China, India, Malaysia, Thailand, Myanmar and Bangladesh. Subsequently, we sell these products through our retail channels, including physical stores and online platforms. Our business strategically offers our products to cater to diverse customer preferences and market demands, while continuously monitoring trends to stay relevant in the fashion industry.

As a buy-and-sell retailer, we oversee the full spectrum of activities including product design, inventory management, supply chain logistics, as well as retail operations to deliver seamless shopping experience to our customers. By engaging various suppliers to manufacture our own brands of products, we are able to maintain a diverse product portfolio, providing customers with ample choice in terms of styles, designs, ages and gender at affordable price points.

3. REPORTING BOUNDARY

3.1 Reporting boundaries (excluding GHG emissions)

(i) *Reporting entity:*

The entities and assets (referred to as the 'reporting entity') included in the Group's sustainability statement are the same as those included in the Group's 30 June 2026 financial statements. The sustainability-related information in the sustainability statement encompasses Padini Holdings Berhad and its subsidiaries.

(ii) *Value chain:*

The Group's value chain includes activities, resources and relationships with third-party manufacturers located in China, India, Malaysia, Thailand, Myanmar and Bangladesh. While the Group has considered its supply chain at a high-level in assessing sustainability-related risks and opportunities, a more detailed assessment of supply chain risks will be undertaken in future. In the current reporting period, all metrics reported (except for GHG emissions) relate to the Group's own operations.

3.2 Reporting boundaries for GHG emissions

The Group uses the GHG Protocol Corporate Accounting and Reporting Standard (2004) ("the GHG Protocol") to measure its GHG emissions. The Group's reporting boundary for GHG emissions includes its organisational boundary and operational boundary:

(i) Organisational boundary

The Group applies the financial control approach to determine its organisational boundaries for GHG emissions reporting.

(ii) Operational boundary

The operational boundary for GHG emissions reporting is as follows:

- Scope 1 GHG emissions include direct emissions from sources that are owned or controlled by the Group, including company-owned vehicles.
- Scope 2 GHG emissions refer to indirect emissions from purchased electricity and purchased chilled water at the Group's owned and rented premises.
- Scope 3 GHG emissions cover other indirect emissions that occur across the Group's value chain.

SUSTAINABILITY STATEMENT (CONT'D)

4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

In the process of preparing these sustainability-related disclosures, management has exercised judgement in a number of areas and used estimates where the sustainability information needs to be estimated, is related to forward-looking information, or involves data limitations.

4.1 Significant judgements

Area	Description
Materiality process	Management applied significant judgement to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities.
Scenarios chosen for climate scenario analysis	Significant judgement was applied in selecting the climate scenarios for scenario analysis. In FY 2026, the Group has undertaken an assessment of climate risks and opportunities using two reference scenarios developed by the Network for Greening the Financial System ("NGFS"): Orderly Net Zero 2050 Scenario and Hot House World Current Policies Scenario. • Orderly Net Zero 2050 ("NZ 2050") Scenario: This scenario assumes an orderly transition to a low-carbon world, limiting global warming to 1.5°C in 2050, resulting in high transition risk but low physical risk. • Hot House World Current Policies Scenario: This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. This includes irreversible changes like higher sea level rise.

4.2 Measurement uncertainty

Area	Description
Carbon tax (as a direct impact)	Given the limited availability of data on the carbon tax pricing in Malaysia and consequential changes to energy prices, there remains a wide range of possible financial outcomes for these climate-related transition risks over the medium to long term. The measurement of anticipated financial effects for the identified sustainability-related risks and opportunities is subject to high measurement uncertainty over the medium to long term.
Energy pricing increase (as an indirect impact from carbon tax)	

5. STATEMENT OF ASSURANCE

This Sustainability Statement has not been subject to internal audit review or external assurance. The Group intends to progressively obtain internal audit review and external assurance of its Sustainability Statement in future financial years.

SUSTAINABILITY STATEMENT (CONT'D)

6. SUSTAINABILITY GOVERNANCE

The Board of Directors, supported by the Sustainability Management Committee, is accountable for all sustainability matters in Padini. This committee comprises members of senior management who oversee the formulation and implementation of sustainability strategy and related matters. The Board of Directors reviews and assesses the strategic directions required to achieve the Group's goals for long-term sustainable growth. The Managing Director with the help of the Sustainability Management Committee oversees the activities executed by the various divisions of the Group to ensure conformity to the strategies and objectives.



The Group considers trade-offs between financial, operational, environmental and stakeholder considerations when evaluating sustainability-related risks and opportunities.

SUSTAINABILITY STATEMENT (CONT'D)

7. STAKEHOLDER ENGAGEMENT

We have a long history of stakeholder engagement and are committed to engaging in constructive and meaningful dialogue with stakeholders. Effective communication helps us build trust, leverage on their expertise and gain insights into the most pressing issues. Stakeholder engagement helps us reaffirm the most material issues and devise ways to address them within the Group. We engage with a diverse group of stakeholders comprising employees, customers, shareholders, NGOs, suppliers, industry groups and local communities. The salient issues for each stakeholder group and our engagement with each during the financial year 2026 are presented below:

Stakeholder Group	Key Areas of Interest	Addressing Their Interests
Shareholders and Investors 	• Padini's business direction • Key corporate developments • Corporate governance • Company performance	• Announcements on Bursa Malaysia • Investor updates and result briefings for fund analysts and shareholders • Annual general meeting • Integrated Annual Reports • Corporate website • Media release • Shariah Compliant
Local Communities and Public 	• Transparent and quality products and services • Community development and enrichment • Reaching out to the community • Employment opportunities to the Person with disabilities • Features, promotion and launching of our products • Latest events products and news updates • Company performance	• Community programmes • Donations and other philanthropic contributions • Employee volunteerism • Local sourcing • Engagement with sources for interested Orang Kurang Upaya ("OKU") to work with Padini • Sales of our products • Media release, interview • Advertisement • Website and social media
Government and regulatory authorities 	• Regulatory compliance • Public-private interaction • Annual reporting • Sustainability reporting	• Attended dialogue/seminar organised by Bursa Malaysia • Participated in Survey conducted by authorities

SUSTAINABILITY STATEMENT (CONT'D)

7. STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Group	Key Areas of Interest	Addressing Their Interests
Customers 	- Service satisfaction - Quality management - Customer appreciation - Online shopping - User convenience	- Responsible clothing design - Marketing Campaigns/ Promotions - Customer Satisfaction Survey - Customer feedback channel - Social Media - Online purchase and delivery services
Employees 	- Career development - Competitive remuneration - Work-life balance - Value diversity and equal opportunity - Ensure occupational health and safety - Appreciation and recognition - Job satisfaction	- Employees Appreciation Awards - Open communication - Teamwork - Events and functions - Provide skills development and training opportunities - Internal newsletter - Teambuilding activities - Job performance assessment - New employee induction programme
Suppliers 	- Fair procurement - Transparency - Suppliers' development - Speedy payment	- Group procurement policy and procurement system - Yearly supplier evaluation - Inspection to Suppliers Factories/ Plants - Financial supply chain management
Shopping Malls 	- Speedy payment - Long term tenancy - Sales performance	- Cooperation on corporate social responsibilities events or activities - Marketing Campaigns/Promotions at the shopping mall - Business meetings

SUSTAINABILITY STATEMENT (CONT'D)

8. MATERIALITY ASSESSMENT

In the financial year 2026, the Group has updated its materiality assessment to incorporate a financial materiality assessment of sustainability-related risks and opportunities including climate-related risks and opportunities, pursuant to the adoption of IFRS S1 and S2. The assessment also reviewed the Group's existing material sustainability matters to support its sustainability reporting based on IFRS S1 and S2 and with reference to the GRI Standards 2021.

The assessment built on the results of previous years' materiality assessments and considered all previously identified sustainability matters. The Board of Directors, Sustainability Management Committee and management participated in the assessment, with support from an external sustainability practitioner.

a) *Step 1: Identification of sustainability-related risks and opportunities and material sustainability matters*

In identifying sustainability-related risks and opportunities and material matters, the Group considered the relevant disclosure topics under the Apparel, Accessories and Footwear SASB Standard, the IFRS S1 and IFRS S2 requirements (including the cross-industry metrics), its stakeholder engagement, the GRI Standards 2021, and the Group's value chain.

b) *Step 2: Assessment and prioritisation*

The Group assessed the significance of sustainability matters based on management's evaluation of their potential impacts on the business, the environment and society, taking into account stakeholder perspectives and the Group's operations.

The Group also assessed whether sustainability-related risks and opportunities could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium and long term. In making this financial materiality assessment, the Group considered a combination of:

- the likelihood of the event occurring, and
- the financial, operational and reputational impact on the Group if the event did occur.

All financially material sustainability-related risks and opportunities are integrated into the Enterprise Risk Management framework of the Group.

c) *Step 3: Identification of material information to be disclosed*

The Group determined the material information that should be disclosed in relation to each material matter and sustainability-related risk or opportunity, taking into account both qualitative and quantitative aspects.

SUSTAINABILITY STATEMENT (CONT'D)

8. MATERIALITY ASSESSMENT(Cont'd)

Outcome of the materiality assessment process

(i) *Material sustainability matters*

The Group identified the following material sustainability matters through its materiality assessment process.

No	Material Matter	Definition	Category
1.	Business Performance	Achieving sustainable financial performance and creating long-term value for stakeholders.	Economic
2.	Sustainability of the Business Strategy	Integrating sustainability considerations into the Group's business strategy to support long-term value creation and business resilience.	
3.	Market Presence	Maintaining the Group's market share and competitive position in the industry.	
4.	Energy Consumption and Climate Change	Managing energy consumption and the Group's exposure to climate-related risks and opportunities.	Environmental
5.	Responsible Sourcing	Managing environmental and social impacts and product quality considerations across the Group's supply chain.	Environmental and Social
6.	Our Customers (Customer Satisfaction, Data Privacy)	Maintaining customer satisfaction and safeguarding customer data and privacy.	Social
7.	Our Communities (Local communities)	Corporate social responsibilities activities or events.	
8.	Our Employees (Employee Development and Wellness; Diversity and Equality)	Supporting employee development, wellbeing, diversity, equality and fair remuneration and benefits.	
9.	Compliance	Managing compliance with applicable laws, regulations and other requirements relevant to the Group's operations.	Governance

SUSTAINABILITY STATEMENT (CONT'D)

8. MATERIALITY ASSESSMENT(Cont'd)

(ii) Sustainability risks and opportunities

The Group has shortlisted the following financially material sustainability- and climate-related risks and opportunities. These are linked to the Group's material sustainability matters.

No	Sustainability-related Risks and Opportunities	Risk Category	Linked Material Matter
1.	Sea level rise	Climate-related physical risks, IFRS S2	• Energy Consumption and Climate Change
2.	Extreme heat		
3.	Water stress		
4.	Indirect climate impacts on raw materials sourcing in the supply chain		
5.	Carbon tax (as a direct impact)	Climate-related transition risks, IFRS S2	
6.	Energy pricing increase (as an indirect impact from carbon tax)		
7.	Change in customer values		
8.	Renewable energy and energy efficiency	Climate-related transition opportunities, IFRS S2	
9.	Sustainable product series		
10.	Environmental impacts and labour conditions in the supply chain	Other sustainability-related risks, IFRS S1	• Responsible Sourcing
11.	Management of chemicals in products		
12.	Regulatory compliance		• Compliance

The Group's material sustainability matters relating primarily to its impacts on employees, communities and customers continue to be reported as part of the Group's broader sustainability disclosures. These matters were not identified as financially material sustainability-related risks or opportunities under the Group's IFRS S1 assessment for the current reporting period. These matters comprise:

- Our Employees (Employee Development and Wellness; Diversity and Equality)
- Our Community (Local Communities)
- Our Customer (Customer Satisfaction and Data Privacy)

The following material matters relate primarily to the Group's business and economic performance and are addressed through the Management Discussion and Analysis and Financial Statements:

- Business Performance
- Sustainability of the Business Strategy
- Market Presence

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT

9.1 Climate-related physical risks

Approach

For financial year 2026, the Group performed a high-level climate hazard screening, evaluating climate-related physical impacts on its operations covering its owned and rented properties, based on the following:

- i. Three (3) climate physical hazards relevant in the region in which the Group operates, which are sea level rise, extreme heat, and water stress.

Chronic climate hazards	Hazard definitions	Tool used
Sea level rise	Rising sea levels and higher incidence of extreme sea events can damage coastal assets.	Climate Central
Extreme heat	Extreme Heat hazard is classified based on an existing and widely accepted heat stress indicator, the Wet Bulb Globe Temperature ("WBGT", in °C) – more specifically the daily maximum WBGT.	Think Hazard
Water stress	Water stress shows how much water is being used compared to how much is naturally available.	World Resource Institute ("WRI") Aqueduct Water Risk Atlas

- ii. Two (2) timeframes: 2030 (medium term) and 2050 (long term)
- iii. Two (2) climate change scenarios, sourced from Network for Greening the Financial System ("NGFS"), which are:
 - **Hot House World Current Policies Scenario:** This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. This includes irreversible changes like higher sea level rise.
 - **Orderly Scenario – Net Zero 2050 ("NZ 2050"):** This scenario assumes an orderly transition to a low-carbon world, limiting global warming to 1.5°C in 2050, resulting in high transition risk but low physical risk.
- iv. In financial year 2026, the Group also considered climate physical risks on the upstream supply chain in terms of raw material sourcing risks but on a high-level basis. A more detailed assessment of supply chain risks will be undertaken in future.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.1 Climate-related physical risks (Cont'd)

Results

The results of our climate physical risk assessment is as follows:

Risk	Exposure, business impact and financial effects	Risk rating	Time horizon	Risk treatment response
(a) Sea level rise	Exposure and impacts: Twenty-four (24) of the Group's rented properties are potentially exposed in the medium to long term. Coastal flooding from sea level rise could cause potential damage to inventory and assets, temporary disruption to retail outlet access, safety risks for employees and local communities, and higher insurance costs. Additionally, sea level rise affecting port areas in Malaysia could disrupt logistics and trading activity. Current financial effects: There is no financial impact for the financial year 2026. Anticipated financial effects: Coastal flooding may increase operating costs and reduce sales at affected outlets. However, this risk is partially mitigated by the Group's ability to relocate rented outlets. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.	Orderly Scenario: Moderate risk Hot House World Scenario: Moderate risk	Medium to long term	- The Group has flood insurance in place for HQ and outlets located on ground floor - Consider relocating rented outlets in high-risk areas and diversifying partner garment factories and suppliers to reduce concentration risk

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.1 Climate-related physical risks (Cont'd)

Risk	Exposure, business impact and financial effects	Risk rating	Time horizon	Risk treatment response
(b) Extreme heat	Exposure and Impacts: Extreme heat could result in reduced working efficiency of employees and higher electricity bills from use of air conditioners. Current financial effects: There is no financial impact for the financial year 2026. Anticipated financial effects: Overall, extreme heat is of low risk to the Group as our employees work indoors. We anticipate higher electricity bills from the use of air conditioners at our premises under extreme heat situations and this will not be quantified at this juncture due to measurement uncertainty.	Orderly Scenario: Low risk Hot House World Scenario: Low risk	Medium to long term	- Cooling measures (air-conditioning) - Installed solar panels in our HQ and warehouse to reduce impact of higher electricity bills - Strengthen products that satisfy customer needs during extreme heat
(c) Water stress	Exposure: Seven (7) of the Group's outlets are located in water-stressed areas. Water stress has minimal direct impact on the Group's operations given the low water footprint of our stores and warehouses. However, it poses an indirect risk through our upstream supply chain wherein water scarcity in cotton-growing regions and tightening water regulations on garment manufacturers could lead to raw material shortages, production delays, rising input costs, and margin compression where costs cannot be passed on to consumers. Current financial effects: There is no financial impact for the financial year 2026.	Orderly Scenario: Low risk for direct impact on operations Hot House World Scenario: Low risk for direct impact on operations	Medium to long term	- For owned properties, implement water efficiency measures - Diversify sourcing regions of suppliers

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.1 Climate-related physical risks (Cont'd)

Risk	Exposure, business impact and financial effects	Risk rating	Time horizon	Risk treatment response
(c) Water stress (cont'd)	Anticipated financial effects: Water stress may increase operating expenditure; however, its direct impact on the Group's operations is limited. Indirect impacts arising from the supply chain may affect costs, but the anticipated financial effects have not been quantified at this stage due to measurement uncertainty.			
(d) Indirect climate impacts on raw materials sourcing in the supply chain	Exposure: The Group is indirectly exposed to raw material sourcing risks arising from climate-related physical and transition factors affecting key inputs such as cotton and synthetic fibres. Climate stressors, particularly drought and increasing temperature variability, may reduce cotton yields, resulting in supply constraints and price volatility. Synthetic fibres remain dependent on fossil fuel feedstocks, exposing the Group to input cost volatility. These factors may disrupt supply continuity and increase procurement costs. Current financial effects: There is no financial impact for the financial year 2026. Anticipated financial effects: This risk is expected to lead to higher procurement costs, affecting financial performance and cash flows. At this juncture, the financial effects are not quantified due to high measurement uncertainty.	Orderly Scenario: Moderate risk Hot House World Scenario: Moderate risk	Medium to long term	- Diversify sourcing regions of suppliers - The Group has launched sustainable product series using environmentally friendly materials such as organic cotton, recycled polyester and recycled cotton, and plans to further expand these offerings. - Continuous monitoring of customer demand trends and commodity price exposure

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.2 Climate-related transition risks

The climate-related transition risk assessment was conducted based on:

- a) Two (2) timeframes: 2030 (medium term) and 2050 (long term)
- b) Two (2) NGFS climate scenarios, consistent with those used in the Group's climate-related physical risk screening.

No	Climate-related Transition Risks	Time Horizon	Risk rating	
			Orderly – Net Zero 2050 Scenario	Hot House World – Current Policies Scenario
(a)	Carbon tax (as a direct impact)	Medium to long term	Low risk	Low risk
(b)	Energy pricing increase (as an indirect impact from carbon tax)	Current, Medium to long term	Moderate risk	Low risk
(c)	Change in customer values	Medium to long term	Low risk	Low risk

(a) Carbon tax (as a direct impact)

The Climate Change Bill (RUUPIN) is expected to be tabled in Parliament by 2026. The Bill may introduce carbon pricing mechanisms, which could increase operating costs and negatively impact financial performance and cash flows.

Current financial effects:

There is no financial impact for the financial year 2026 as carbon pricing mechanisms for our sector are yet to be introduced in Malaysia and the jurisdictions we operate.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.2 Climate-related transition risks (Cont'd)

(a) Carbon tax (as a direct impact) (cont'd)

Anticipated financial effects:

The Group may incur increased operating costs from carbon tax in Malaysia and other jurisdictions in which we operate.

The following table presents the expected effects on the Group's financial position, financial performance and cash flows over the short, medium, and long term, arising from carbon tax (as a direct impact).

RM'000	Carbon tax (as a direct impact)					
	Baseline		Orderly – Net Zero 2050 Scenario		Hot House World – Current Policies Scenario	
	Current financial effects	Short term financial effects (per annum)	2030	2050	2030	2050
			Medium term financial effects (per annum)	Long term financial effects (per annum)	Medium term financial effects (per annum)	Long term financial effects (per annum)
Financial performance						
Cost of sales	0	0	0	0	0	0
Other expenses	0	0	(1)	(20) to (239)	(1)	(1)
Profit	0	0	(1)	(20) to (239)	(1)	(1)
Financial position	0	0	0	0	0	0
Cash flows						
Cash flow from operating activities	0	0	(1)	(20) to (239)	(1)	(1)

The key assumptions used in assessing the financial effects in the medium and long term are:

- The carbon tax price assumption in Hot House World Current Policies Scenario is based on RM15 per tCO₂e in medium to long term.
- The carbon tax price assumption in Net Zero 2050 Scenario is based on RM15 per tCO₂e in medium term, and between USD167.65 per tCO₂e in 2035 to USD1,143.36 per tCO₂e in 2050 based on the Network for Greening the Financial System (NGFS) Net Zero 2050 Scenario.

Mitigation plan:

Direct carbon tax exposure is currently assessed as low risk to the Group. Ongoing monitoring will be maintained.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.2 Climate-related transition risks (Cont'd)

(b) Energy pricing increase (as an indirect impact from carbon tax)

Electricity tariffs from Tenaga Nasional Berhad ("TNB") are anticipated to rise due to energy transition costs and carbon pricing, which could increase the Group's operational expenses over the short to medium term.

Current financial effects:

There is no financial impact for the financial year 2026.

The energy consumption of the Group was as follows:

Energy consumption	Unit of measurement	FY 2026
Fuel		
Petrol	Litres	21,834
Diesel	Litres	114
Electricity		
Grid electricity	MWh	26,300
Solar electricity	MWh	517
Chilled water purchased	MWh	1,570
Percentage of renewable energy over total energy consumed	%	1.8

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.2 Climate-related transition risks (Cont'd)

(b) Energy pricing increase (as an indirect impact from carbon tax) (cont'd)

Anticipated financial effects:

The higher costs of electricity could result in higher operating expenditure and potential impacts on profit margins and cash flows.

The following table presents the expected effects on the Group's financial position, financial performance and cash flows over the short, medium, and long term, arising from energy pricing increase as an indirect impact from carbon tax.

RM'000	Energy pricing increase (as an indirect impact from carbon tax)					
	Baseline		Orderly – Net Zero 2050 Scenario		Hot House World – Current Policies Scenario	
	Current financial effects	Short term financial effects (per annum)	2030	2050	2030	2050
			Medium term financial effects (per annum)	Long term financial effects (per annum)	Medium term financial effects (per annum)	Long term financial effects (per annum)
Financial performance						
Cost of sales	0	0	0	0	0	0
Other expenses	0	0	(780) to (876)	(929) to (2,810)	(390) to (414)	(426) to (747)
Profit	0	0	(780) to (876)	(929) to (2,810)	(390) to (414)	(426) to (747)
Financial position	0	0	0	0	0	0
Cash flows						
Cash flow from operating activities	0	0	(780) to (876)	(929) to (2,810)	(390) to (414)	(426) to (747)

The key assumptions used in assessing the financial effects in the medium and long term are:

- Under Hot House World Current Policies Scenario, 3% per annum electricity tariff increase is assumed over medium to long term.
- Under Net Zero 2050 Scenario, 6% per annum electricity tariff increase is assumed over medium to long term.

Mitigation plan:

The Group is implementing renewable energy and energy efficiency initiatives to reduce electricity consumption and manage exposure to rising energy costs. Solar photovoltaic panels have been installed at the Group's owned warehouse and office to reduce reliance on grid electricity. In addition, our stores have upgraded their lighting from Compact Discharge Metal Halide Technology ("CDMT") to energy-efficient LED lighting to improve energy efficiency.

For further details, refer to Section 9.3(b) Climate-related Transition Opportunities: Renewable Energy and Energy Efficiency.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.2 Climate-related transition risks (Cont'd)

(b) Energy pricing increase (as an indirect impact from carbon tax) (cont'd)

Trade-offs considered:

Investments in renewable energy and energy efficiency require upfront capital expenditure but are expected to reduce long-term electricity costs, lower greenhouse gas emissions and improve resilience to energy price increases.

(c) Change in customer values

As consumers increasingly prioritise sustainability and circularity, demand for fast fashion products may decline, while expectations for transparent, responsibly sourced products increase. Failure to meet these expectations may result in reduced sales, loss of market share and diminished brand equity.

Current financial effects:

In financial year 2026, purchases of sustainable product series were RM23.1 million, representing 2.2% over the overall purchases.

Anticipated financial effects:

The Group assessed the anticipated financial effects of changing consumer preferences using the following climate scenario assumptions:

- **Orderly Net Zero 2050 scenario:** Accelerated transition toward sustainable consumption, with strong consumer preference for low-impact and sustainable products.
- **Hot House World (Current Policies) scenario:** Sustainability considerations have limited influence on purchasing decisions, with price, convenience and brand remaining the primary purchasing drivers in most markets.

Under both scenarios, shifts in consumer demand may affect the Group's revenue and operating costs, including demand for sustainable product offerings and sourcing costs associated with environmentally preferred materials. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.

Mitigation plan:

In the previous years, the Group had successfully launched eco-friendly products featuring materials like organic cotton, recycled cotton, sustainable cotton, recycled polyester and Sorona fabric. The Group also expanded its selection of eco-friendly products, extending beyond apparel and footwear to include bags.

Please refer to Section 9.3(a) Climate-related opportunity: Sustainable product series for further details.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.3 Climate-related transition opportunities

The climate-related transition opportunities assessment was conducted based on:

- (i) Two (2) timeframes: 2030 (medium term) and 2050 (long term)
- (ii) Two (2) NGFS climate scenarios, consistent with those used in the Group's climate-related physical and transition risk assessments.

No	Climate-related Transition Opportunities	Time Horizon	Risk rating	
			Orderly – Net Zero 2050 Scenario	Hot House World – Current Policies Scenario
(a)	Sustainable product series	Current, short to long term	Moderate opportunity	Moderate opportunity
(b)	Renewable energy and energy efficiency	Current, short to long term	Low opportunity	Low opportunity

(a) Opportunity: Sustainable product series

Sustainable product series

The Group has the opportunity to expand its sustainable product series in response to increasing demand for low-impact and circular fashion products, which may enhance brand differentiation and align with climate-conscious consumer preferences. The Group has launched sustainable series product by using materials that are environmentally friendly such as organic cotton, recycled polyester and recycled cotton.

Organic cotton

The usage of conventional cotton being one of the most chemical intensive crops will be reduced as we will release products using organic cotton. Organic cotton, which is grown without harmful chemicals as compared to conventional grown cotton reducing the usage of water, energy and toxic chemicals which help to reduce impact on land, air and water.

Recycled cotton

Recycled cotton is an eco-friendly alternative than conventional cotton, where it uses post-consumer or post-industrial cotton waste and reprocessed into new yarns or fabric. This not only helps to divert textile waste from landfills, at the same time reducing water and electricity usage compared to producing conventional cotton.

Sustainable cotton

Sustainable cotton refers to cotton that is produced and sourced in a manner that minimises its environmental and social impact. It focuses on reducing water consumption, promote ecological balance and conserve biodiversity.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.3 Climate-related transition opportunities (Cont'd)

(a) Opportunity: Sustainable product series (cont'd)

Sustainable product series (cont'd)

Recycled polyester

Compared to virgin polyester, recycled polyester fabric can reduce energy consumption and generates fewer carbon dioxide ("CO₂") emissions in the manufacturing process. Recycled polyester which is made from recycled plastic provide a better way to divert the plastic from our landfills as well as reducing the extraction of crude oil and natural gas if compared to using the virgin plastic.

Sorona fabric

Sorona fabric is partially plant-based polymer where it's made with 37% renewable plant-based ingredients. The production has reduced reliance on fossil fuels which leads to lowering of GHG emissions.

In financial year 2026, Padini has launched new eco-friendly material of Tencel Lyocell, wood-based cellulosic fibre sourced from responsibly managed forests and produced using a resource-efficient closed-loop manufacturing process.

Categories	Materials	Approximately in units		
		FY 2026	FY 2025	FY 2024
Footwear	40% – 58% recycled Polyester	18,900	32,500	49,600
Apparels	33% – 100% organic cotton	603,500	904,000	340,000
	20% – 70% recycled cotton and sustainable cotton	1,200	17,200	20,200
	14% – 100% recycled polyester	180,600	380,000	204,600
	20% – 100% Sorona	330,600	120,600	14,600
	40% - 54% Tencel lyocell	32,600	-	-
Bags	40% recycled polyester	5,000	4,900	2,700

In the financial year 2026, there is a total of approximately 1,172,400 units of eco-friendly footwear, bags and garments were procured and launched into the market, compared to 1,459,200 units in the financial year 2025. This is approximately 2.6% out of total quantity purchased during the year, consistent with 2.6% in the prior year. We will continue our efforts for sourcing products or materials that conform to environmental sustainability.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.3 Climate-related transition opportunities (Cont'd)

(a) Opportunity: Sustainable product series (cont'd)

Sustainable packaging

Biodegradable plastics bags at all stores

Recycled and sustainable paper bags, hang tags and shoe boxes at Vincci stores

To further provide a sustainable solution to reduce plastic waste pollution, all plastic bags used in-stores are Oxo-Biodegradable as certified by SIRIM ECO 001. When discarded in the natural environment, the presence of heat and oxygen will trigger a chemical reaction causing molecular breakdown into lower molecular mass, drastically shortening the degradation period from centuries to months. While at Vincci stores, we have already started using recycled and sustainable paper bags and recycled shoe boxes for our customers. Padini Concept Store and Brands Outlet have introduced paper bags as an alternative option, available upon customer request and subject to a minimal charge. The recycled paper bag and recycled shoe box are made of recycled waste paper to ensure its environmentally friendly. We have initiated the use of recycled paper bag which is responsibly sourced to protect forests and using water-based ink which is free from harmful additives and chemical toxins.

Recycling campaign

Padini has launched recycling campaign in both Padini Concept Stores and Brands Outlet stores by providing recycle bin for customers to drop off old apparels and footwears. Customers are encouraged to donate apparel and footwear of any brand, giving these items a second life. During the financial year 2026, approximately 37,700kg (FY2025: 28,700kg) of apparel and footwear has been collected from recycle bin placed at thirty-eight (38) outlets (FY2025: twenty-seven (27) outlets) in Malaysia. These items were handed over to Life Line Clothing Malaysia ("LLCM") for the purpose of being reused, regenerated, recycled, or upcycled.

Recycle Bin Setup in Office

Recycling programmes of the 3R practice of Reduce, Reuse & Recycle has been embedded and remains strong in the culture of Padini. Office waste recycling programme is implemented at our office whereby bins for the segregation of wastes (Glass, Plastic and Paper) are provided on every floor for easy access. The collected recyclables are then sold to recycling centres, all generated funds used to support our company's CSR activities.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.3 Climate-related transition opportunities (Cont'd)

(a) Opportunity: Sustainable product series (cont'd)

Scenario analysis:				
Climate Scenario	Time horizon	Assumptions	Opportunity rating	Financial effects
Orderly Net Zero scenario	Current, short to long term	Accelerated shift toward sustainable consumption, strong consumer preference for low-impact products	Moderate opportunity	<u>Current financial effects:</u> In FY 2026, purchases of sustainable product series was RM23.1million, representing 2.2% over the overall purchase. <u>Anticipated financial effects:</u> While there is potential revenue growth from increased demand for sustainable products, there is potential margin pressure from higher input costs. The anticipated financial effects are not quantified at this stage due to measurement uncertainty.
Hot House World Current Policies scenario	Current, short to long term	Sustainability considerations have limited influence on consumers' purchasing decisions, with price, convenience and brand remaining the primary drivers	Moderate opportunity	

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.3 Climate-related transition opportunities (Cont'd)

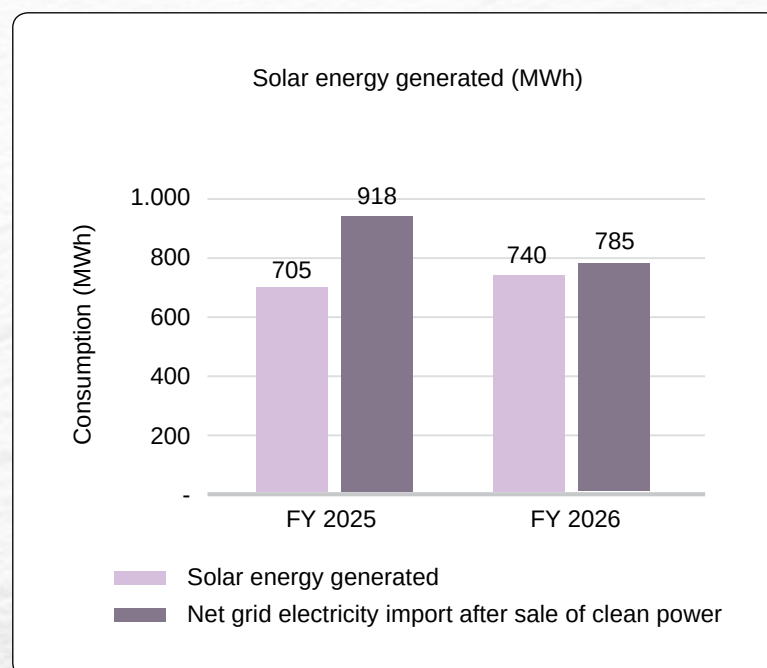
(b) Opportunity: Renewable energy and energy efficiency

Adopting renewable energy mitigates long-term exposure to electricity tariff hikes and helps the Group contribute to align with Malaysia's national climate and renewable energy targets e.g. National Energy Transition Roadmap ("NETR") and Malaysia's National Determined Contribution ("NDC"). The Group has already installed solar photovoltaic panels at its owned warehouse and office, which contributes to lower electricity consumption from the grid and reduced greenhouse gas emissions. The Group also has the opportunity to further expand installation of solar panels on the remaining available rooftop space of its owned premises.

Solar systems installations in Padini's Office and Warehouse

Since the installation of solar system, a total of 5.6GWh (FY2025: 4.9GWh) clean energy has been produced. Of the 5.6GWh (FY2025: 4.9GWh) produced, 3.8GWh (FY2025: 3.4GWh) was used in our daily operations, while the remaining 1.8GWh (FY2025: 1.5GWh) of clean energy was sold.

The graph below illustrates the solar energy generated of Padini's office and warehouse in Malaysia, alongside a comparison to the net grid electricity import after sale of clean energy (in MWh).



SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.3 Climate-related transition opportunities (Cont'd)

(b) Opportunity: Renewable energy and energy efficiency (Cont'd)

LED lighting

Since the previous year, Padini made strides in enhancing some of the stores' lighting by transitioning from Compact Discharge Metal Halide Technology ("CDMT") to energy efficient LED technology. This strategic move aimed to improve energy efficiency, reducing maintenance costs and embrace a more sustainable and advanced lighting solution for the stores.

For every outlet that undergoes renovation and for each new outlet that opens, Padini ensures the implementation of LED lighting throughout the premises. In FY 2026, the Group upgraded the lighting fixtures at five (5) existing stores (FY 2025: nine (9) stores) to LED lighting, resulting in energy saving in term of 49% wattage of lighting's usage for each store. Additionally, all seven (7) new stores (FY 2025: fourteen (14) outlets) stores opened in Malaysia during the financial year under review were equipped with LED lighting. As at 30 June 2026, one hundred and nine (109) stores or 77.9% (FY2025: one hundred (100) stores or 72.5%) of our stores (excluding consignment counters) in Malaysia were equipped with energy-efficient LED lighting.

'Turn off before you take off' Campaign

For our office buildings, a 'Turn off before you take off' campaign has been implemented to encourage our employees to turn off their computers, laptops and monitors if they are going to be away from their desk for a break or a long period of time. Majority of the office lighting that are not in use will also be switched off during lunch hours and past business hours. On top of that, regular maintenance is also conducted on all office equipment to keep them running efficiently.

Hybrid/Electrical Vehicle Charging Station

To reward our staff who choose eco-friendly cars such as hybrid or electric vehicles, parking spots that are near the office lift lobbies were set aside to provide greater convenience. The electric car parking spaces are also equipped with eight (8) units of charging stations.

Scenario analysis:				
Climate Scenario	Time horizon	Assumptions	Opportunity rating	Financial effects
Orderly Net Zero scenario	Current, short to long term	Energy transition is rapid and planned, with renewables becoming the dominant energy source accompanied by a decline in fossil fuel reliance.	Low opportunity	The percentage of renewable energy over the overall energy consumption for the Group is 1.8%. The installation of solar system in office and warehouse has reduced approximately 22% (FY2025: 18%) of electricity consumption of the office and warehouse since the installation in the financial year 2018.
Hot House World Current Policies scenario	Current, short to long term	Government maintains current policies regarding renewable energy.	Low opportunity	

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.4 Other sustainability-related risks

The Group qualitatively assessed the resilience of its strategy and business model in relation to the identified sustainability-related risks over the medium-term (2030) and long-term (2050) assessment horizons. The assessment considered the Group's existing mitigation measures and informed management's understanding of the Group's capacity to respond to sustainability-related risks.

No	Sustainability-related Risks	Time Horizon	Risk rating
(a)	Environmental impacts and labour conditions in the supply chain	Short to long term	Moderate risk
(b)	Management of chemicals in products	Medium term to long term	Moderate risk
(c)	Regulatory compliance	Current, short to long term	Moderate risk

(a) Environmental impacts and labour conditions in the supply chain

Increasing stakeholder expectations on environmental stewardship and labour practices may expose the Group to reputational and compliance risks across its supply chain. Failure by suppliers to maintain appropriate labour standards and environmental practice, could adversely affect the Group's brand reputation and stakeholder confidence.

Our approach to managing this:

Responsible Sourcing

Padini works closely with its suppliers to promote responsible sourcing and improve environmental and social performance across its supply chain. The Group seeks to build long-term supplier relationships and communicates its expectations through its terms of business and supplier engagement activities.

The Group expects suppliers to maintain appropriate standards in product quality, labour practices, occupational health and safety, and environmental management. These expectations form part of the Group's responsible sourcing approach and support its broader risk management and human rights due diligence processes.

Padini conducts supplier due diligence and supplier reviews as part of its routine operations. In financial year 2026, the Group reviewed and enhanced its supplier due diligence questionnaires covering both environmental impacts and labour conditions to align with IFRS S2 and the Apparel, Accessories and Footwear SASB Standard metrics. The sourcing team regularly visits supplier facilities to assess quality management systems, manufacturing conditions, workplace practices and environmental initiatives. These visits also provide opportunities to discuss production planning, operational challenges and improvement opportunities with factory management.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.4 Other sustainability-related risks (Cont'd)

(a) Environmental impacts and labour conditions in the supply chain (cont'd)

Responsible Sourcing (cont'd)

The Group communicates its expectations on key responsible sourcing principles, including the prohibition of child labour and forced labour, provision of safe and hygienic working conditions, fair wages and working hours, and non-discriminatory employment practices. Padini also encourages suppliers to adopt automation and other process improvements to enhance workplace conditions and operational efficiency.

Recognising that suppliers are at different stages of their sustainability journey, the Group adopts a collaborative approach to supplier engagement. Where areas for improvement or non-compliance are identified, Padini works with suppliers to strengthen their management practices and improve outcomes for workers and the environment.

Current financial effects:

The Group incurs ongoing operational expenditure in performing supplier due diligence and supplier reviews as part of its routine operations to support responsible sourcing practices and supply chain oversight.

Anticipated financial effects:

This risk may result in increased compliance, monitoring and supplier audit costs, which could affect the Group's financial performance and cash flows. Reputational issues arising from supply chain practices may also adversely affect revenue and brand value. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.

(b) Management of chemicals in products

Although the Group does not manufacture products directly, evolving stakeholder expectations relating to product safety and responsible sourcing continue to evolve over time and may expose the Group to indirect reputational and compliance risks through its supply chain. Inadequate chemical management practices by suppliers could potentially affect customer confidence and brand reputation.

Our approach to managing this:

The Group is assessing the applicability of recognised chemical management frameworks and supplier compliance practices. The Group continue monitoring regulatory developments and stakeholder expectations relating to chemical management in products.

Current financial effects:

No financial impact in financial year 2026.

Anticipated financial effects:

This risk may lead to increased compliance, product review or supplier management costs in the future. In certain circumstances, non-compliant products could potentially result in product recalls, inventory write-downs or reputational impacts affecting revenue. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.4 Other sustainability-related risks (Cont'd)

(c) Regulatory compliance

Whistleblowing Policy, Anti-Bribery Policy and Anti-Corruption Policy

Our business practices are governed by integrity, honesty and full compliance with applicable laws. Our group stands for lawful and ethical business practices and zero tolerance for unethical or illegal conduct. To ensure our behaviour and communications are aligned with our values, we have developed clear compliance policies that are captured in our Code of Conduct which must be signed by all our employees before they start work at Padini.

Padini has also complied with the new requirements on Corporate Liability Section 17(A) of MACC Amendment Act 2018 which took effect on 1 June 2020. We have communicated Padini's corporate integrity pledge and our bribery policy with our vendors and our employees prior to the effective date and it is posted in our corporate website.

Annually, it is compulsory for all Padini employees to attend training on the Whistleblowing Policy and Anti-Bribery and Anti-Corruption policy. We encourage employees, suppliers and stakeholders to report any illegal or unacceptable behaviour or noncompliance. Whistleblowing practice is encouraged and is open to any employee, supplier or third-party, with the assurance that any report will be properly investigated and treated with confidentiality.

Regulatory compliance

In financial year 2026, Padini has complied with the following:

- i. Laws and regulations in the social and economic areas
- ii. Regulations and voluntary codes on health and safety impacts of products and services
- iii. Law concerning product and service information and labelling
- iv. Environmental laws and regulations
- v. Any reporting requirements

Some non-exhaustive examples of key regulations that were applicable include Listing Requirements, Capital Markets and Services Act, Companies Act 2016, Malaysian Anti-Corruption Commission (Amendment) Act 2018, Employment Act 1955, Personal Data Protection Act 2010 and Personal Data Protection (Amendment) Act 2024, and Occupational Safety and Health Act 1994.

Malaysia's employment regulatory landscape continues to evolve, including changes to minimum wage requirements, amendments to the Employment Act, and requirements under the Stamp Act 1949 relating to the stamping of employment contracts. Padini has reviewed its employment contracts, policies and practices to ensure compliance with applicable employment laws and regulatory requirements.

SUSTAINABILITY STATEMENT (CONT'D)

9. STRATEGY AND RISK MANAGEMENT (Cont'd)

9.4 Other sustainability-related risks (Cont'd)

(c) Regulatory compliance (cont'd)

Current financial effects:

During the financial year, the Group incurred the following fines and penalties of RM10,000 or more per instance in respect of its Malaysian operations:

Penalty for carrying out outlet renovation works without permit	RM13,000
Penalty for non-compliance with licensing requirement	RM16,000

Fines and penalties below RM10,000 per instance are considered not significant and are therefore not disclosed in this report.

Anticipated financial effects:

This risk may lead to increased compliance costs in the future, and any non-compliance could result in reputational impacts. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.

SUSTAINABILITY STATEMENT (CONT'D)

10. METRICS AND TARGETS

10.1 SASB Disclosure Index

Apparel, Accessories and Footwear SASB Standard metrics

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	FY 2026
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	The Group is assessing the applicability of recognised chemical management frameworks and supplier compliance practices. The Group will continue monitoring regulatory developments and stakeholder expectations relating to chemical management in products
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	Discussion and Analysis	n/a	
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	Quantitative	Percentage (%)	To be disclosed in future years
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	The Group adopts a risk-based approach to our supplier assessments which include a section on environmental compliance. Low-risk suppliers are not subject to annual reassessment unless their risk profile changes. During the financial year, 37% of our Tier 1 suppliers and 22% of our Tier 2 and beyond suppliers were screened against our supplier assessment.

SUSTAINABILITY STATEMENT (CONT'D)

10. METRICS AND TARGETS (Cont'd)

10.1 SASB Disclosure Index (Cont'd)

Apparel, Accessories and Footwear SASB Standard metrics (cont'd)

Table 1. Sustainability Disclosure Topics & Metrics (cont'd)

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	FY 2026
Labour Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	The Group adopts a risk-based approach to our supplier assessments which include a section on labour compliance. Low-risk suppliers are not subject to annual reassessment unless their risk profile changes. During the financial year, 37% of our Tier 1 suppliers and 22% Tier 2 and beyond suppliers were screened against our supplier assessment.
	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labour code of conduct audits	Quantitative	Rate	In addition, 3% of our Tier 1 suppliers and 32% of our Tier 2 and beyond suppliers underwent social compliance audits by third-party auditors. 1 of our Tier 2 Suppliers was assessed as unsatisfactory based on our supplier assessment due to social criteria, which is currently under review. The Group will continue to monitor the supplier and consider discontinuing the relationship if it is unable to meet our requirements.
	Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain	Discussion and Analysis	n/a	Refer to Section 9.4(a)

SUSTAINABILITY STATEMENT (CONT'D)

10. METRICS AND TARGETS (Cont'd)

10.1 SASB Disclosure Index (Cont'd)

Apparel, Accessories and Footwear SASB Standard metrics (cont'd)

Table 1. Sustainability Disclosure Topics & Metrics (cont'd)

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	FY 2026
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	n/a	(1) The textile materials used in the Group's products are cotton, polyester, denim, poplin and spandex, PU, canvas and nylon, amongst others. (2)-(4) Refer to Section 9.1 (d)- Indirect climate impacts on raw materials sourcing in the supply chain. The Group also manages social and environmental sourcing risks through its supplier due diligence programme and responsible sourcing requirements, as described in Section 9.4(a).
	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Quantitative	(1) Percentage (%), (2) Pieces	(1) Refer to Table 1.1 for the composition of textile materials used in the Group's products (2) Refer to Section 9.3(a)

Table 1.1

Composition of textile materials used in the Group's products in FY 2026 (% of total units purchased)							
Cotton	Polyester	Polyurethane ("PU")	Nylon	Rayon	Viscose	Others	Total
57	13	4	6	3	3	14	100%

SUSTAINABILITY STATEMENT (CONT'D)

10. METRICS AND TARGETS (Cont'd)

10.1 SASB Disclosure Index (Cont'd)

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	FY 2026
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	73 Tier 1 suppliers 104 suppliers beyond Tier 1

10.2 IFRS S2 Cross-industry metrics

Metric category	Metric	Unit of measurement	FY 2026
Greenhouse gas (GHG) emissions	Scope 1	tCO ₂ e	51
	Scope 2	tCO ₂ e	18,296
Climate-related transition risks	Carbon tax (as a direct impact) in the medium to long term	RM	Refer to Section 9.2(a)
	Energy pricing increase (as an indirect impact from carbon tax)	RM	Refer to Section 9.2(b)
Climate-related physical risks	The number of Group's premises in an area subject to sea level rise in the medium to long term	Number	24
	The number of Group's premises in an area subject to water stress in the medium to long term	Number	7
Climate-related opportunities	Purchases of sustainable product series	RM million	23.1
Capital deployment	Amount used by the Group towards climate-related risks and opportunities during the financial year	RM million	26.1
Internal carbon prices	Internal carbon price used	RM per tCO ₂ e	The Group has not implemented internal carbon pricing at this juncture.
Remuneration	The percentage of current period executive management remuneration that is connected to climate-related considerations	%	-

SUSTAINABILITY STATEMENT (CONT'D)

11. BURSA PRESCRIBED TABLE

PADINI HOLDINGS BERHAD IFRS S1 Date & Time: 2026-10-15_22:08:08 Main Market Group 1 FYE 30/06/2026					
Sustainability Metric	Metric	Measurement Unit	2025	2026	Target
Environmental Impacts in the Supply Chain	Percentage of (i) Tier 1 supplier facilities and (ii) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Percentage (%)	N/A	The Group adopts a risk-based approach to our supplier assessments which include a section on environmental compliance. Low-risk suppliers are not subject to annual reassessment unless their risk profile changes. During the financial year, 37% of our Tier 1 suppliers and 23% of our Tier 2 and beyond suppliers were assessed against our supplier assessment.	—
Labour Conditions in the Supply Chain	Percentage of (i) Tier 1 supplier facilities and (ii) Tier 1 that have been audited to a labour code of conduct, (iii) percentage of total audits conducted by a third-party auditor	Percentage (%)	N/A	The Group adopts a risk-based approach to our supplier assessments which include a section on labour compliance. Low-risk suppliers are not subject to annual reassessment unless their risk profile changes. During the financial year, 37% of our Tier 1 suppliers and 22% of our Tier 2 and beyond suppliers were assessed against our supplier assessment. In addition, 3% of our Tier 1 suppliers and 32% of our Tier 2 and beyond suppliers underwent social compliance audits by third-party auditors.	—

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SUSTAINABILITY STATEMENT (CONT'D)

11. BURSA PRESCRIBED TABLE (Cont'd)

PADINI HOLDINGS BERHAD IFRS S1		Date & Time: 2026-10-15_22:08:08 Main Market Group 1 FYE 30/06/2026				
Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Conditions in the Supply Chain	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labour code of conduct audits	Rate	N/A	1 of our Tier 2 Suppliers was assessed as unsatisfactory based on our supplier assessment due to social criteria, which is currently under review. The Group will continue to monitor the supplier and consider discontinuing the relationship if it is unable to meet our requirements	—	No assurance
Raw Materials Sourcing	(1) Amount of priority raw materials purchased, by material	Percentage (%)	N/A	Cotton - 57%, Polyester - 13%, Polyurethane (PU) - 4%, Nylon - 6%, Rayon - 3%, Viscose - 3% - Others - 14%	—	No assurance

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SUSTAINABILITY STATEMENT (CONT'D)

11. BURSA PRESCRIBED TABLE (Cont'd)

PADINI HOLDINGS BERHAD IFRS S2		Date & Time: 2026-10-15 22:08:08 Main Market Group 1 FYE 30/06/2026						
Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance		
Greenhouse gas (GHG) emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	N/A	51	—	No assurance		
Greenhouse gas (GHG) emissions	Scope 2	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	N/A	18,296	—	No assurance		
Climate-related transition risks	Carbon tax (as a direct impact) in the medium to long term	RM million	N/A	0 to 0.2	—	No assurance		
Climate-related transition risks	Energy pricing increase (as an indirect impact from carbon tax)	RM million	N/A	0 to 2.8	—	No assurance		
Climate-related physical risks	The number of Group's premises in an area subject to sea level rise in the medium to long term	Number	N/A	24	—	No assurance		
Climate-related physical risks	The number of Group's premises in an area subject to water stress in the medium to long term	Number	N/A	7	—	No assurance		
Climate-related opportunities	Purchases of sustainable product series	RM million	N/A	231	—	No assurance		
Capital deployment	Amount used by the Group towards climate-related risks and opportunities during the financial year	RM million	N/A	261	—	No assurance		
Internal carbon prices	Internal carbon price used	RM per tCO ₂ e	N/A	The Group has not implemented internal carbon pricing at this juncture.	—	No assurance		
Remuneration	The percentage of current period executive management remuneration that is connected to climate-related considerations	%	N/A	-	—	No assurance		
Energy consumption	Fuel	Litres	N/A	21834	—	No assurance		

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SUSTAINABILITY STATEMENT
(CONT'D)

11. BURSA PRESCRIBED TABLE (Cont'd)

PADINI HOLDINGS BERHAD IFRS S2		Date & Time: 2026-10-15_22:08:08 Main Market Group 1 FYE 30/06/2026				
Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy consumption	Diesel	Litres	N/A	114	—	No assurance
Energy consumption	Electricity	MWh	N/A	26,817	—	No assurance
Energy consumption	Chilled water	MWh	N/A	1,570	—	No assurance

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SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART

“GOOD PEOPLE MAKE GOOD BUSINESS.”

People are at the heart of everything we do. From our employees, customers, our suppliers and manufacturers, we endeavour to have a positive impact on every person who has contact with Padini.

12.1 OUR EMPLOYEES

We have cultivated a work environment in which our employees are constantly challenged to do their best. We have a strong brand identity that we've built through a creative approach. In return, we provide our employees with a unique work culture that is open and friendly and promotes a happy workplace.

Operating openly, respectfully and honestly ensures everyone can be instrumental in helping steer the business towards future opportunities and growth. We live, create and work in a world surrounded by like-minded people and by peers that inspire us.



We could not succeed as a company without the support of our most prized asset – our employees. In line with the overarching goals set out by the United Nations as part of its Sustainable Development Goals, Padini has created stable and quality jobs in line with its sustained financial growth in recent years. By having close to approximately three thousand four hundred (3,400) full time and part time employees under our umbrella, Padini has focused its energy on giving its employees stable and quality jobs that keep the business running smoothly.

VALUING DIVERSITY AND EQUAL OPPORTUNITY

At Padini, people are the key to our success. We believe that our people play a vital role in our customers' experience. We encourage equal participation by including a diverse Group of people to be part of our team. Employment opportunities are provided to the Person with Disabilities to demonstrate their full potential, a platform to better display their abilities and thereby encouraging and inspiring others in the society.

Apart from that, Human Resources & Training is dedicated in recruiting the disabled to be part of our team. With the support from the Ministry of Women, Family & Community Development, we have managed to engage with the Department for the Development of Persons with Disabilities (“DDPWDs”) to work on the hiring programme. An assessment has also been done to our office compound to ensure that it is disabled-friendly.

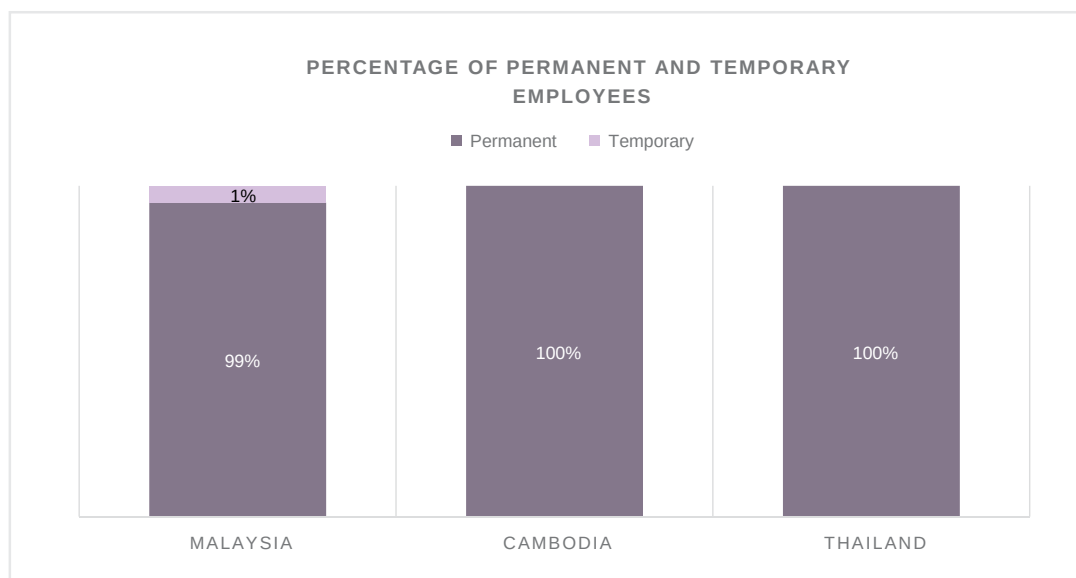
During FY 2026, the Group hired four (4) (FY2025: six (6)) employees with disabilities to join its workforce. We strongly believe both employees, with and without disabilities benefit equally from a diverse work setting. As a result, employees are more likely to feel comfortable and happy in an environment where inclusivity is a priority.

SUSTAINABILITY STATEMENT (CONT'D)

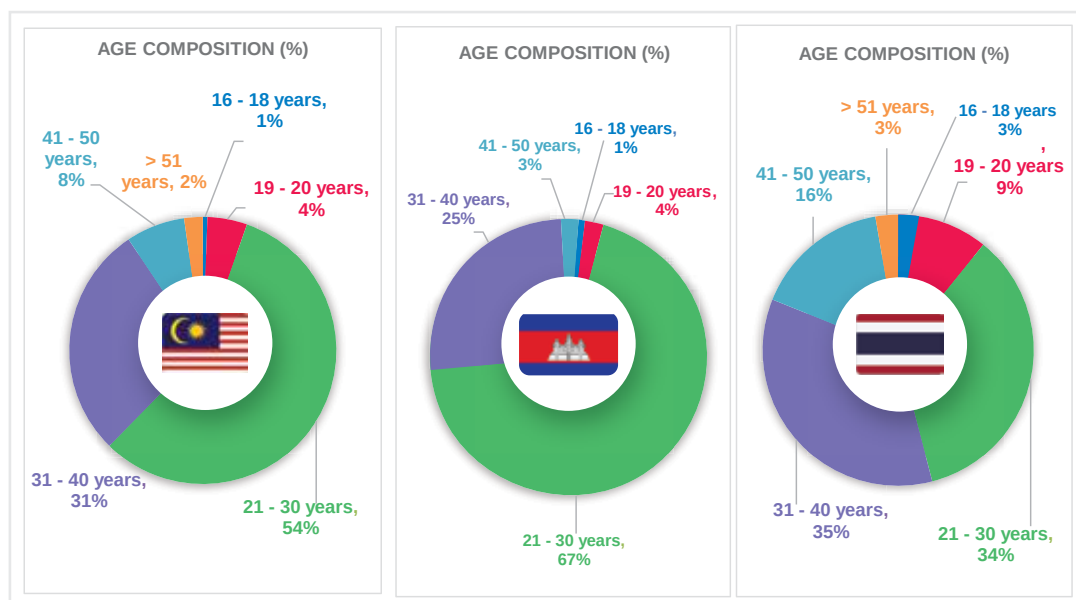
12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

The graph below shows the percentage of permanent and temporary employees by region:



The pie chart below illustrates the age composition of Padini employees by region:

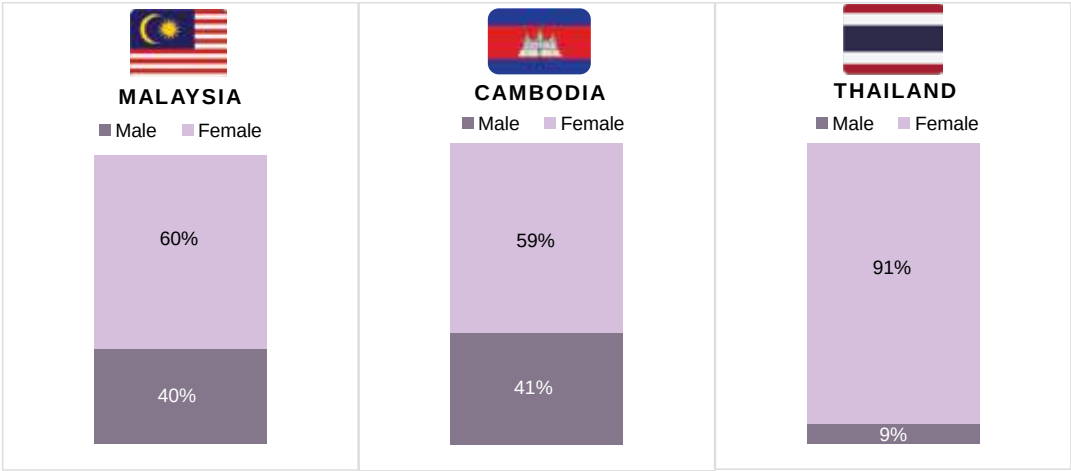


SUSTAINABILITY STATEMENT
(CONT'D)

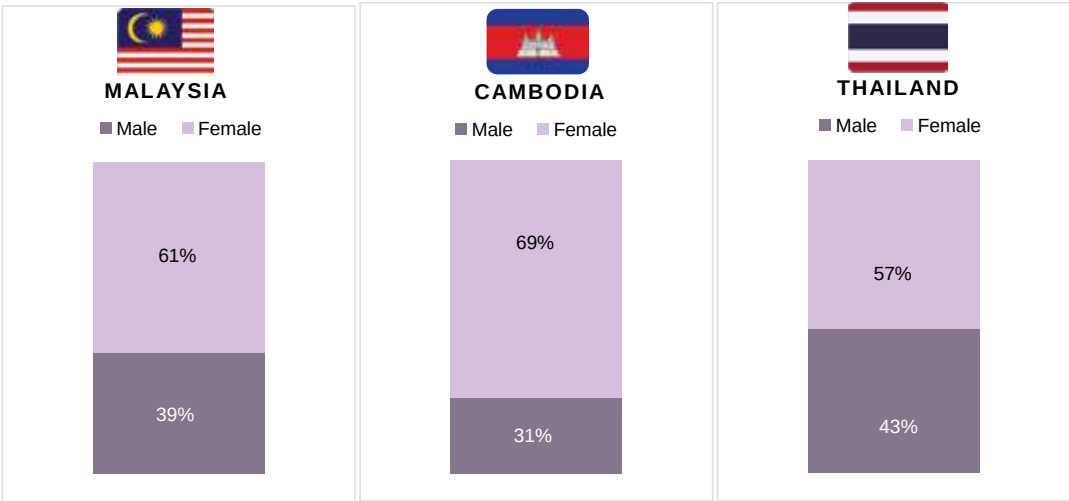
12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

Gender Composition of Padini Employees by region:



Salary Composition of Padini Employees by region:



SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

Total number of employee turnover by employee category

	FY 2026	FY 2025	FY 2024
Management	2	1	6
Executive	112	92	101
Non-executive	969	761	714

Total number of substantiated complaints concerning human rights violations

	FY 2026	FY 2025	FY 2024
Total number of substantiated complaints concerning human rights violations	0	0	0

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

EMPOWERING LOCAL TALENTS

Approximate to 100% employees locally hired



It is also one of Padini's priorities to hire and train competent local employees to work in the offices and facilities that we operate. As a homegrown Malaysian company, recruiting and developing local talent with local knowledge first has always been our strategy. We seek to develop local resources and content to benefit the community by increasing the availability of talent, competence and capability of the local workforce going forward, with approximate to 100% of our total employees being local hires.

EMPLOYEES DEVELOPMENT AND GROWTH



As a responsible organisation, we believe in caring and training our people to be the best that they can be. We recognise that a comfortable workplace which provides all the necessary opportunities and incentives is critical for our people to grow professionally and personally so that they can contribute both to the company and to the society.

To achieve that, we carry out training and internal promotions as a means of developing and maximising our human capital, strengthening teamwork and building loyalty among our employees. Regular and structured training is provided to all levels of employees, from incoming recruits to frontline service employees, supervisors, right up to top management levels.

Annually, we allocate a portion of our budget to employee training and development. In the financial year 2026, Padini has invested a total of approximately RM706,000 for all trainings, including in-house education, training programmes and external trainings for its employees. Training mostly covered job-specific topics such as effective communication, teamwork, leadership, etc.

In addition to in-house training programmes, we provide support to our employees to seek external courses and certifications to upgrade their skills. For those wishing to upgrade their skills and competencies, grants, loans, paid study leaves, time off for examinations as well as numerous in-house training programmes are provided. In the financial year 2026, approximately RM326,000 was spent on external training and certification. Over the year and across the Group, a total of one hundred and thirty-one (131) internal and external trainings has been organised.

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

EMPLOYEES DEVELOPMENT AND GROWTH (Cont'd)

Employee Internal Training Programmes - throughout the financial year 2026: Target Group: All Employees

1. Customer Focused Mindset
2. New Staff Orientation
3. Retail Service in Action
4. Communication Skills
5. Working as a Team 1
6. Emotional Intelligence
7. Leadership DNA Leading with Wisdom, Respect and Results

Employee External Training Programmes - throughout the financial year 2026:

1. OSH Coordinator Training (OSH-C)
2. Basic Occupational First Aid
3. Kursus Kesedaran ERT
4. Empower HR Leaders: Make Informed Decision with DISC
5. Introduction to Training Need Analysis (TNA) - From Needs to Results Simplified
6. Data Protection Officer (DPO) Certificate Programme
7. Corporate Textiles Recovery
8. Ergonomic Risk Assessment Training for Ergonomics Trained Person, Level: 1 (Initial)
9. MEF Industrial Relations Conference 2025
10. Adobe Firefly Training
11. Global Skill Forum (GSF)
12. Tax Seminar on Budget 2026
13. AI Workloads for Enterprises
14. TaxMax - 51st Series
15. Fundamentals Of Impairment Concept Used In IFRS/MFRS
16. BOSS Human Resource Management System (HRMS) EA & Benefits-in-Kind (BIK) Training
17. Secure Computer User - Leadership Edition
18. Handling Poor Performance
19. Setting Up A Winning Safety & Health Committee
20. MFRS/IFRS 18 in Practice: A Practical Guide for Accountants, Preparers, and Auditors
21. Navigating IFRS S1 and IFRS S2

Total hours of training by employee category

	FY 2026	FY 2025	FY 2024
Management	771	705	646
Executive	5,574	4,474	5,391
Non-executive	13,287	14,279	9,731

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

EMPLOYEES DEVELOPMENT AND GROWTH (Cont'd)

July **2025**



Introduction to Training Need Analysis

September **2025**



Corporate Textiles Recovery

November **2025**



MEF industrial Relation Conference



OSH coordinator Training



Data Protection Officer (DPO) Certificate



TaxMax 51st Series

August **2025**



New Staff Orientation

October **2025**



Working as a Team 1

December **2025**



Navigating IFRS S1 and IFRS S2



Retail Service in Action



Tax Seminar on Budget 2026



Customer Focused Mindset



Customer focused mindset



Global Skill Forum (GSF)

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

EMPLOYEES DEVELOPMENT AND GROWTH (Cont'd)

Jan **2026**



Fundamentals of Impairment Concept Used In IFRS/MFRS

March **2026**



Handling Poor Performance

May **2026**



Emotional Intelligence



BOSS (HRMS) EA & BIK Training
Positive Working Attitude

April **2026**



Setting Up A Winning Safety & Health Committee

June **2026**



Leadership DNA Training

February **2026**



Communication Skills



OSH Coordinator



Time Management



Customer Focused Mindset

May **2026**



Kursus Kesedaran ERT



OSH Coordinator Training



New Staff Orientation



Basic Occupational First Aid

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

REWARDING AND RECOGNISING OUR EMPLOYEES



Our policies relating to recruitment, career prospects and rewards are merit-based.

Events such as festive dinners were conducted to recognise the efforts and hard work of our people, as well as foster family spirit and a sense of belonging to the company. During the year, awards presented to our employees included Best Employee Award, Medical Reward, Outstanding Team Award and Perfect Attendance Award. Apart from certifications, cash and gift vouchers were also rewarded as a token of appreciation to our employees' contribution to the company. Each and every contribution from our employees are recognised and rewarded with career progression opportunities.

Apart from that, all our confirmed employees are also entitled to generous employee discounts, ranging from 10% - 30% for the purchase of Padini's products, or up to RM2,000 per quarter.

At Padini, we celebrate individual successes that contribute. To our talented Padini employees, we offer daily allowance for those who join domestic tournaments and international tournaments, with unrecorded leave granted according to the tournament dates. Achievement awards range from RM200 to RM600 for domestic tournaments, and RM1,000 to RM3,000 for international tournaments. Besides, participants are eligible for one post-tournament sports massage session.

EMPLOYEES WELLNESS AND ENGAGEMENT



We firmly believe that a healthy workforce is a motivated and productive one. We always prioritise our employees' health and continuously implement a range of projects and actions to support and protect their well-being. This includes addressing health-related issues, promoting manageable workloads and providing comfortable working environments designed to maximise productivity, creativity and collaboration.

All our full-time employees are provided at the Group's costs, with Personal Accident, Hospitalisation & Surgery and Term Life insurance coverage. The purpose of this insurance coverage is to ensure that in the event of illnesses, injury, disablement, or even death, a reasonably sized financial cushion is made available to the affected employee or their families to help reduce the trauma of the unforeseen situations.

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

EMPLOYEES WELLNESS AND ENGAGEMENT (Cont'd)

During the financial year 2026, the following programmes were conducted for the benefit and bonding of the employees:

Physical Fitness & Mindfulness

- Badminton
- Yoga
- Zumba
- Pickleball

Competitive Sports Event

- Padini Futsal Tournament at Klang Valley
- Padini Bowling Tournament at Klang Valley
- Padini Bowling Tournament at Melaka

Health & Wellness

- Blood Donation Campaign by National Blood Centre
- Blood Donation Campaign by Tengku Ampuan Rahimah Hospital, Klang
- Chiropractic Screening by Spinalive
- Bone Alignment Screening by Homeosteo Health Care Center
- Dental Check by Tiew Dental
- Eye Screening by Halo Optic
- Eye Screening by Spectacle X
- Health Screening by PERKESO
- Health Screening by Pathlab
- Health Screening by ICG Healthcare
- Health Talk by ICG Healthcare
- KWSP & Anda Talk by Employees Provident Fund
- Suicide Awareness & Prevention Talk by MENTARI Sungai Buloh
- Insurance Talk by Great Eastern
- Roadshow by Great Eastern
- Health Supplements by VitaHealth

Diversity & Inclusion

- Invitation of OKU vendors Bengkel Daya Klang, Autism Cafe Project, OKU artist

Food & Beverage Deals

- Bites Food Sale – Weracles Sdn Bhd, The Rashbee, Mum Mum Snacks, Ice Cream Malaysia, Yakult, Dessert Sedap, Aneka Dessert, Kopi Mak, Rizky Kuih Raya, Sri Vinduri Corner

Beauty & Lifestyle

- DIY Fragrance by Cora Fragrance
- Henna Arts by HennaSpring
- Fragrance by Qal Perfume
- Nail Products by Retro Nails
- Massage by Oliive Spa & Confinement Care

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

EMPLOYEES WELLNESS AND ENGAGEMENT (Cont'd)



Vaccination



Blood Donation Campaign



Bites Food Sale



Insurance Talk



Chiropractic Screening



Autism Cafe Project



**Padini Bowling Tournament
Melaka**



**Padini Bowling Tournament
Klang Valley**



Padini Futsal Tournament



Henna Arts



Pickleball



Health Screening



Badminton



Yoga



Zumba

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

SUPPORTING NEW MUMS AT WORK



Nursing Room

Flexible Lactation Breaks Maternity Parking

We are proud to have a strong representation of female employees through every level of our company. To ensure smooth transitions back to work for our new mums, we have furnished a dedicated nursery room. Flexible lactation breaks are also allocated to allow our new mums to schedule lactations around their work duties. We believe that by having a supportive work environment, where new mums feel comfortable and encouraged to breastfeed and express during the workday, can reduce some of the stress inherent to juggling work and motherhood, and therefore increase productivity at work. We have also provided designated parking locations for expectant mothers to gain access to the office or warehouse through parking closer to the entrance.

OPEN WORKFORCE COMMUNICATIONS



Practice open communication

At Padini, we value transparency and take our employees' feedback into consideration to make Padini a better place to work. We therefore promote and practice open communication across all levels of employees and departments through various regular interactive sessions between employees and senior management. All employees are encouraged to bring up their work-related concern directly to the attention of the senior management. Padini's Human Resource and Training Department is tasked with ensuring that our labour practices are in compliance with the latest statutes and legislations. By identifying and understanding our employees' needs, we can improve their well-being.

WELFARE PROVISIONS FOR EMPLOYEES IN TIMES OF EMERGENCY AND CRISIS



Charity begins at home

We also believe in the adage, "charity begins at home". The care that we demonstrate to employees extends to their families in times of crisis. The management is always sympathetic to employees in their time of need, and we provide financial aid in the event of passing of staff or a staff's family member, and those who require funding for medical treatment. We have provided the above through our Employees Assistance Programme.

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT



Reducing accident rates

The Safety and Health Committee in Padini functions to assist Padini to formulate safety measures, guidelines, rules and safety systems of works. In case of any occupational accidents or dangerous occurrence, committee member will take part in investigating and recommend corrective actions.

Our data relating to health and safety were as follows:-

Health and safety	FY 2026	FY 2025	FY 2024
Number of work-related fatalities	0	0	0
Lost time incident rate	2.36	1.75	2.03
Number of employees trained on health and safety training	357	150	274

In the financial year 2026, we recorded forty-two (42) minor injuries in Malaysia, one (1) reported case in Thailand and no case reported in Cambodia. Most of these incidents occurred while employees were organising stock in stores and outlets. To reduce the number of accidents, we have provided more efficient equipment such as trolleys, conducted instructions training and issued an internal memo to keep staff alert on safety concerns.

RAISING TOMORROW'S LEADERS



Sponsorships for study and training programmes

As a company, we represent a significant fraction of the local apparel industry. Knowing that we can make a difference in creating positive impact, we aim to utilise our platform to create opportunities for our employees, for young adults seeking to begin their career, and to nurture our local talents in reaching their goals and fulfil their greatest potential. Believing that 'Today's youth will lead us tomorrow', education and practical training become one of our priorities in Padini.

Besides internal training programmes, we also encourage our employees to improve their personal skills through sponsorships for study and training programmes.

Sponsorships for work related study/ training

Management Level	Up to RM10,000 per annum without bond
Executive Level	Up to RM5,000 per annum without bond
Non-Executive Level	Up to RM2,500 per annum without bond

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.1 OUR EMPLOYEES (Cont'd)

FACILITATING CAREER ADVANCEMENT



Encourage transfer of stores or department

As part of our effort to help employees advance their careers, we allow employees to directly inform human resources about their career ambitions, as well as an internal recruitment system that lets employees apply for a transfer to another store or head office department. We made it our priority to first look internally for staffing before opting out for external recruitment as we strongly believe that this results in lifting the morale, induce motivation and better retention among our employees.

STRENGTHENING EMPLOYEE SATISFACTION



In view of enhancing the overall well-being, engagement, and satisfaction levels of Padini employees across various departments, we have conducted annual Employee Engagement Survey. The survey covers several key areas, including employee's job satisfaction, their perception of Padini as a whole and other benefits. It also examines the quality of working relationships with immediate supervisors, team leaders and colleagues, ensuring a focus on teamwork and communication. The survey results are reviewed in management meetings to analyse key issues and guide future strategic planning. Padini remains committed to enhancing the positive working environment, addressing employee needs and fostering a culture of inclusivity and collaboration.

12.2 OUR COMMUNITY



Total of
12 NGOs
benefited



Nearly **623**
hours spent by
employees on
volunteering



Approximately
RM147,000
(cash and in
kind) has been
donated

As part of our philosophy to ensure our business has a positive social impact, we have partnered with some inspirational local and international organisations. The charities we work with support women, children, families, communities and the environment.

We support causes that have a meaningful impact on people's daily lives, including the environment, community development, healthcare, culture, sports and education. Through these programmes, communities benefit from the long-term contributions of our employees who volunteer their time and effort. At the same time, our business benefits as employees feel more engaged and motivated, knowing they are making a positive difference.

STRENGTHENING VULNERABLE GROUPS

Donations of both monetary and in kind were made from proceeds derived from a variety of fund-raising activities conducted by the Kelab Kebajikan Syarikat Padini Holdings Berhad (formerly Caring From The Heart), a group consisting of employee volunteers from Padini. A total of approximately RM147,000 in cash and in kind were donated to the vulnerable group. Padini has been engaging with Orang Kurang Upaya ("OKU") as caterers for inhouse training food and beverages, in hope to promote inclusivity and provide meaningful opportunities for individuals with disabilities.

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.2 OUR COMMUNITY (Cont'd)

SUPPORTING THE HUMANITARIAN CAUSES

In the financial year 2026, Padini has been active in making positive impacts to the community through a variety of philanthropic initiatives. Approximately eight thousand and five hundred (8,500) cartons or equivalent to approximately one hundred and eighty-nine thousand (189,000) pieces of assorted Padini merchandises were donated in the financial year 2026. A total of twelve (12) NGOs has benefited from the donation of assorted Padini Merchandises, and donation in cash and kind. The twelve (12) NGOs are as follows:

1. GLAD PJ Shop
2. Life Line Clothing Malaysia ("LLCM")
3. Rotary Club Bintulu
4. Rotary Club of Kota Kinabalu South
5. Rotary Club of Kuching
6. Pusat Jagaan Persatuan Kebajikan Kanak-Kanak Sosial Semenyih Sejiwa Hati
7. Pusat Jagaan Rumah Juara PJ
8. Persatuan Insan Istimewa Cheras ("PIICS")
9. Pusat Pemulihan Dalam Komuniti ("PPDK") Cahaya Kasih
10. Forest Research Institute Malaysia ("FRIM")
11. The Inclusive Outdoor Classroom
12. MyKasih Foundation



Hari Raya Celebration at Pusat Pemulihan Cahaya Kasih



Young Artist Gala



Chinese New Year Celebration at Persatuan Insan Istimewa Cheras Selangor



Tree Planting at Forest Research Institute Malaysia ("FRIM")



Christmas Event at Juara Homes



Deepavali Celebration at Pusat Jagaan Persatuan Kebajikan Kanak-Kanak Sosial Semenyih Sejiwa Hati



Inclusive Outdoor Classroom Runway Shows – Break the Stigma on Disability

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.2 OUR COMMUNITY (Cont'd)

COMMUNITY ENVIRONMENTAL PROJECT

During the financial year 2026, we had collected and sold for recycling, a total of approximately 2,800kg of used paper and paper products with the proceeds amounting to approximately RM1,100. While negligible, the sum was utilised in part to fund Padini's philanthropic activities.

SUPPORTING EDUCATION AND STUDENT DEVELOPMENT



Padini has been a valued donor partner of MyKasih since 2018, supporting students from SK Sungai Dua through the MyKasih Love My School programme. Padini's contributions have enabled MyKasih to carry out meaningful initiatives, including providing each student with RM80 per month through a smartcard to help cover their daily needs. The initiative aims to ease the financial burden faced by students and their families, enabling students to focus more on their education. Through this continued support, Padini remains committed to promoting inclusive access to education and creating opportunities for students from underserved communities to thrive.

EXTENDING SUPPORT TO COMMUNITIES IN NEED



As part of its community outreach efforts, Padini donated clothing to Rotary Clubs in Sabah and Sarawak for distribution to individuals and communities in need. Through these donations, usable clothing was redirected to beneficiaries who could benefit from them, while providing practical support to underserved communities. This initiative reflects Padini's commitment to sharing resources with those in need and contributing positively to the communities in which it operates.

PROMOTING ENVIRONMENTAL CONSERVATION



Recognising the importance of environmental conservation, Padini also participated in a tree planting programme at the Forest Research Institute Malaysia ("FRIM"). The initiative contributes towards increasing green cover and supporting efforts to preserve Malaysia's natural environment. Through its participation, Padini seeks to encourage greater environmental awareness and demonstrate its commitment to contributing to long-term environmental sustainability beyond its business operations.

SUSTAINABILITY STATEMENT (CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.3 OUR CUSTOMER

CONSUMER PRIVACY



We aim to respond to evolving consumer expectations, security threats and regulation concerning data privacy. Padini treats personal data of our consumers, employees and other stakeholders with utmost respect and transparency. We respect consumers' right to privacy when they use our websites, sign up for our Loyalty Programme (Padini Membership Card) and communicate electronically with us. Padini complies with the Personal Data Protection Act 2010 ("PDPA") and Personal Data Protection (Amendment) Act 2024 (PDPA Amendment). We have put in place all necessary measures to keep any personal information provided securely. Further information on our Privacy Policy is available on our website.

Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data

	FY 2026	FY 2025	FY 2024
Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

CONSTANT IMPROVEMENT ON CUSTOMER SERVICE



To stay on top of consumer needs as they change with the times, Padini has set up various customer service platforms as follows:

The feedback from customers is relayed to relevant stores and departments to ensure a timely response, ensuring that customer feedback is reflected to improve products and services. Recognising that complaints are especially valuable feedback, all personnel involved promptly share details with relevant stores and departments so that their root causes and solutions can be determined to prevent any recurrence.

Reports on product defects and measures for improvements are compiled every month based on customers' opinions and requests collected by customer service centres and customers' complaints handled. These reports are made known to all personnel of the company's production offices around the world, where they are useful for improving quality.

Below are the number of complaints on customer service:

	FY 2026	FY 2025	FY 2024
Services	98	101	160

Ongoing efforts are being implemented to reduce complaints and improve overall service quality.

SUSTAINABILITY STATEMENT
(CONT'D)

12. OUR SOCIAL IMPACTS: CARING FROM THE HEART (Cont'd)

12.3 OUR CUSTOMER

CONSTANT IMPROVEMENT ON CUSTOMER SERVICE (Cont'd)

	Customer Service Platforms
1	Official Website Feedback Form
2	Customer Service Hotline
3	Email
4	Social Media Pages

MYSTERY SHOPPERS



In addition, to improve customer service, on an annual basis, we will choose minimum fifteen (15) outlets to have mystery shopping visits. During the financial year 2026, there is a total of forty-four (44) outlets being chosen as part of our commitment to improving our customer experience. After conducting the mystery shopping visits, the mystery shoppers will then write a detailed report on a pre-defined and agreed-upon form, and the result will then be further analysed. Thereafter specific training will be given to those chosen outlets based on the reports of the mystery shopper on areas for improvement. Mystery shoppers will visit for another round to gauge the effectiveness of the training given and thus used as a benchmark in employees training and planning our future business policy

AWARD AND RECOGNITION



During FY2026, Padini continued to receive recognition for its commitment to sustainability, customer experience and retail excellence. In 2025, Padini Concept Store was awarded the Green Tenant Awards (Gold Winner) by IPC Shopping Centre, recognising its efforts in supporting environmentally responsible practices within its retail operations. At Sky Avenue, both Padini Concept Store and Vincci received the Shopper's Choice Award, reflecting positive recognition from shoppers, as well as the Best In-store Experience Award, acknowledging the brands' efforts in delivering an engaging and enjoyable in-store experience. In 2026, Padini was also recognised with the Shopper's Favourite Brand Award by Design Village, reflecting continued customer appreciation and recognition of the brand within the retail environment. These recognitions reflect Padini's continued focus on strengthening its sustainability initiatives, enhancing customer experience and delivering excellence across its retail operations.

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1 & S2 CONTENT INDEX

Padini Holdings Berhad

Sustainability Statement for the financial year ended 30 June 2026

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
CONCEPTUAL FOUNDATIONS				
11	Provide a complete, neutral and accurate depiction (fair presentation) of the entity's sustainability-related risks and opportunities, disclosing relevant information that is faithfully represented.	Basis of Preparation (Section 1)	48	–
17	Disclose material information about sustainability-related risks and opportunities — information whose omission, misstatement or obscuring could reasonably be expected to influence primary users' decisions.	Materiality Assessment (Section 8) Judgements and Measurement Uncertainties (Section 4, materiality process)	54 to 56 50	–
20	Prepare the sustainability-related financial disclosures for the same reporting entity as the related financial statements, and include information about the sustainability-related risks and opportunities across the entity's value chain.	Reporting Boundary (Section 3) Overview of the Group and Value Chain (Section 2)	49	–
21	Provide information that enables users to understand the connections between sustainability-related risks and opportunities, and between the related disclosures (governance, strategy, risk management, and metrics and targets) and the financial statements.	Basis of Preparation (Section 1) – Connectivity with Financial Statements (Section 1.3)	48	–
GOVERNANCE				
27 (a)	<i>Information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:</i>			
27 (a) (i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	Sustainability Governance (Section 6)	51	–
27 (a) (ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities.	Sustainability Governance (Section 6)	51	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
GOVERNANCE (Cont'd)				
27 (a) (iii)	How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities.	Sustainability Governance (Section 6)	51	–
27 (a) (iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Sustainability Governance (Section 6)	51	–
27 (a) (v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies.	Sustainability Governance (Section 6) IFRS S2 Cross-industry Metrics (Section 10.2, remuneration)	51 79	–
27 (b)	<i>Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:</i>			
27 (b) (i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Sustainability Governance (Section 6)	51	–
27 (b) (ii)	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance (Section 6)	51	Management oversight exercised through the Sustainability Management Committee across the Group's divisions.
STRATEGY				
SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES				
30	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:</i>			
30 (a)	Describe the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9)	54 to 56 57 to 75	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
STRATEGY (Cont'd)				
SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (Cont'd)				
30 (b)	Specify time horizons – short, medium or long term – over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur.	Basis of Preparation (Section 1, Connectivity) Strategy and Risk Management (Section 9)	48 57 to 75	–
30 (c)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Basis of Preparation (Section 1) – Connectivity with Financial Statements (Section 1.3)	48	–
BUSINESS MODEL AND VALUE CHAIN				
32	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:</i>			
32 (a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	Overview of the Group and Value Chain (Section 2) Strategy and Risk Management (Section 9)	49 57 to 75	–
STRATEGY AND DECISION-MAKING				
33	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose information about:</i>			
33 (a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	Strategy and Risk Management (Section 9)	57 to 75	See the risk treatment responses and mitigation plans within each risk and opportunity.
33 (b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information.	Not disclosed	–	–
33 (c)	Trade-offs between sustainability-related risks and opportunities that the entity considered.	Sustainability Governance (Section 6) Strategy and Risk Management: Climate-related transition risks - Energy pricing increase (as an indirect impact from carbon tax) (Section 9.2(b))	51 63 to 65	Sustainability Governance
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS				
34	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand:</i>			
34 (a)	The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	Strategy and Risk Management (Section 9, Current financial effects)	57 to 75	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
STRATEGY (Cont'd)				
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS (Cont'd)				
34 (b)	The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Strategy and Risk Management (Section 9, Anticipated financial effects)	57 to 75	–
35	<i>Specifically, an entity shall disclose quantitative and qualitative information about:</i>			
35 (a)	How sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Strategy and Risk Management (Section 9)	57 to 75	–
35 (b)	The sustainability-related risks and opportunities identified in paragraph 35 (a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	None at this juncture.	–	–
35 (c) (i)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to.	Strategy and Risk Management (Section 9)	57 to 75	–
35 (c) (ii)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration its planned sources of funding to implement its strategy.	Strategy and Risk Management (Section 9)	57 to 75	–
35 (d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Strategy and Risk Management (Section 9)	57 to 75	Quantified for carbon tax and energy pricing risks

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
STRATEGY (Cont'd)				
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS (Cont'd)				
40	<i>If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity, the entity shall:</i>			
40 (a)	Explain why it has not provided quantitative information;	Judgements and Measurement Uncertainties (Section 4)	50	–
		Basis of Preparation (Section 1, proportionality)	48	
40 (b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that sustainability-related risk or opportunity.	Strategy and Risk Management (Section 9)	57 to 75	–
RESILIENCE				
41	An entity shall disclose information that enables users of general-purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	Judgements and Measurement Uncertainties (Section 4)	50	–
		Strategy and Risk Management (Section 9)	57 to 75	
RISK MANAGEMENT				
44	<i>To achieve this objective, an entity shall disclose information about:</i>			
44 (a) (i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes).	Materiality Assessment (Section 8)	54 to 56	–
		Strategy and Risk Management (Section 9)	57 to 75	
44 (a) (ii)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks.	Judgements and Measurement Uncertainties (Section 4)	50	–
		Strategy and Risk Management (Section 9)	57 to 75	

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
RISK MANAGEMENT (Cont'd)				
44 (a) (iii)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9)	54 to 56 57 to 75	–
44 (a) (iv)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about whether and how the entity prioritises sustainability-related risks relative to other types of risk.	Materiality Assessment (Section 8)	54 to 56	–
44 (a) (v)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about how the entity monitors sustainability-related risks.	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9)	54 to 56 57 to 75	–
44 (a) (vi)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about whether and how the entity has changed the processes it uses compared with the previous reporting period.	Materiality Assessment (Section 8)	54 to 56	–
44 (b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities.	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9) – Climate-related Opportunity (Section 9.3)	54 to 56 66 to 71	–
44 (c)	The extent to which, and how, the processes for identifying, assessing and prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Materiality Assessment (Section 8)	54 to 56	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
METRICS AND TARGETS				
46	<i>An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects:</i>			
46 (a)	Metrics required by an applicable IFRS Sustainability Disclosure Standard.	Metrics and Targets (Section 10) – SASB Disclosure Index (Section 10.1) – IFRS S2 Cross-industry Metrics (Section 10.2)	76 to 79	–
46 (b) (i)	Metrics the entity uses to measure and monitor that sustainability-related risk or opportunity.	Metrics and Targets (Section 10) – SASB Disclosure Index (Section 10.1) – IFRS S2 Cross-industry Metrics (Section 10.2)	76 to 79	–
46 (b) (ii)	Metrics the entity uses to measure and monitor its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Metrics and Targets (Section 10)	76 to 79	–
50	<i>If a metric has been developed by an entity, the entity shall disclose information about:</i>			
50 (a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source.	Metrics and Targets (Section 10) – SASB Disclosure Index (Section 10.1)	76 to 79	–
50 (b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as red, amber, green – or RAG – status).	Metrics and Targets (Section 10) – SASB Disclosure Index (Section 10.1)	76 to 79	
50 (c)	Whether the metric is validated by a third party and, if so, which party.	Statement of Assurance (Section 5)	50	The Sustainability Statement has not been independently assured for FY 2026.
50 (d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.	Reporting Boundary (Section 3, GHG emissions)	49	–
		Judgements and Measurement Uncertainties (Section 4)	50	

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
METRICS AND TARGETS (Cont'd)				
51	<i>An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose:</i>			
51 (a)	The metric used to set the target and to monitor progress towards reaching the target.	–	–	No sustainability-related targets set for FY 2026
51 (b)	The specific quantitative or qualitative target the entity has set or is required to meet.	–	–	–
51 (c)	The period over which the target applies.	–	–	–
51 (d)	The base period from which progress is measured.	–	–	–
51 (e)	Milestones and interim targets.	–	–	–
51 (f)	Performance against each target and an analysis of trends or changes in the entity's performance.	–	–	–
GENERAL REQUIREMENTS				
54	Apply the IFRS Sustainability Disclosure Standards and, where they do not specifically address a matter, refer to and consider the applicability of the SASB Standards and other specified sources when identifying risks, opportunities and disclosures.	Basis of Preparation (Section 1, compliance) SASB Disclosure Index (Section 10.1)	48 76 to 79	–
60	Provide the sustainability-related financial disclosures as part of the entity's general purpose financial reports.	Basis of Preparation (Section 1)	48	–
64	Report the sustainability-related financial disclosures at the same time as, and for the same reporting period as, the related financial statements.	Basis of Preparation (Section 1) – Connectivity with Financial Statements (Section 1.3)	48	–
70	Disclose comparative information in respect of the preceding period for all amounts disclosed in the current reporting period.	Basis of Preparation (Section 1, transition reliefs)	48	First reporting period; comparative-information relief applied.
72	Include an explicit and unqualified statement of compliance with the IFRS Sustainability Disclosure Standards where the entity has complied with all applicable requirements.	Basis of Preparation (Section 1, compliance)	48	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S1: GENERAL REQUIREMENTS FOR DISCLOSURES OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION (Cont'd)

IFRS S1 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
JUDGEMENTS, UNCERTAINTIES AND ERRORS				
74	Disclose information about the judgements, apart from those involving estimations, that have the most significant effect on the amounts disclosed in the sustainability-related financial disclosures.	Judgements and Measurement Uncertainties (Section 4, significant judgements)	50	–
77	Disclose information that enables users to understand the most significant uncertainties affecting the amounts disclosed, including the sources and nature of that measurement uncertainty.	Judgements and Measurement Uncertainties (Section 4, measurement uncertainty)	50	–
83	Correct material prior-period errors by restating the comparative amounts for prior periods, unless it is impracticable to do so.	No prior year restatement noted.	–	–

IFRS S2: CLIMATE-RELATED DISCLOSURES

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
GOVERNANCE				
6 (a)	<i>To achieve this objective, an entity shall disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:</i>			
6 (a) (i)	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	Sustainability Governance (Section 6)	51	–
6 (a) (ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Sustainability Governance (Section 6)	51	–
6 (a) (iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	Sustainability Governance (Section 6)	51	–
6 (a) (iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Sustainability Governance (Section 6)	51	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
GOVERNANCE (Cont'd)				
6 (a) (v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets.	Sustainability Governance (Section 6)	51	–
6 (b)	<i>To achieve this objective, an entity shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</i>			
6 (b) (i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Sustainability Governance (Section 6)	51	–
6 (b) (ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Materiality Assessment (Section 8)	54 to 56	Sustainability-related risks and opportunities are integrated into the ERM framework.
STRATEGY				
9 (a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9)	54 to 56 57 to 71	–
9 (b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	Overview of the Group and Value Chain (Section 2) Strategy and Risk Management (Section 9)	49 57 to 71	–
9 (c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	Strategy and Risk Management (Section 9)	57 to 71	The Group has not adopted a formal climate-related transition plan.
9 (d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	Strategy and Risk Management (Section 9, Current and Anticipated financial effects)	57 to 71	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
STRATEGY (Cont'd)				
9 (e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	Judgements and Measurement Uncertainties (Section 4) Strategy and Risk Management (Section 9, scenario analysis)	50 57 to 71	—
CLIMATE-RELATED RISKS AND OPPORTUNITIES				
10	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:</i>			
10 (a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1) – Climate-related Transition Risks (Section 9.2) – Climate-related Opportunity (Section 9.3)	57 to 60 61 to 65 66 to 71	—
10 (b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1) – Climate-related Transition Risks (Section 9.2)	57 to 60 61 to 65	—
10 (c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Strategy and Risk Management (Section 9)	57 to 71	—
10 (d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Basis of Preparation (Section 1) – Connectivity with Financial Statements (Section 1.3)	48	—
BUSINESS MODEL AND VALUE CHAIN				
13	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:</i>			
13 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	Overview of the Group and Value Chain (Section 2) Strategy and Risk Management (Section 9)	49 57 to 71	—

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
STRATEGY (Cont'd)				
BUSINESS MODEL AND VALUE CHAIN (Cont'd)				
13 (b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1) IFRS S2 Cross-industry Metrics (Section 10.2, premises exposed)	57 to 60 79	–
STRATEGY AND DECISION-MAKING				
14	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</i>			
14 (a) (i)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities.	Strategy and Risk Management (Section 9) – Climate-related Transition Risks (Section 9.2) – Climate-related Opportunity (Section 9.3)	61 to 65 66 to 71	–
14 (a) (ii)	Information about current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications).	Strategy and Risk Management (Section 9) – Climate-related Opportunity (Section 9.3)	66 to 71	–
14 (a) (iii)	Information about current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains).	Strategy and Risk Management (Section 9) – Climate-related Opportunity (Section 9.3)	66 to 71	–
14 (a) (iv)	Information about any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies.	–	–	The Group has not adopted a formal climate-related transition plan.

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
STRATEGY (Cont'd)				
STRATEGY AND DECISION-MAKING (Cont'd)				
14 (a) (v)	Information about how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33 – 36.	No emissions targets set.	–	–
14 (b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14 (a).	Not disclosed	–	–
14 (c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14 (a).	Not disclosed	–	First time adoption of IFRS S1 and S2
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS				
15	<i>An entity shall disclose information that enables users of general-purpose financial reports to understand:</i>			
15 (a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	Strategy and Risk Management (Section 9, Current financial effects)	57 to 71	–
15 (b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Strategy and Risk Management (Section 9, Anticipated financial effects)	57 to 71	–
16	<i>Specifically, an entity shall disclose quantitative and qualitative information about:</i>			
16 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Strategy and Risk Management (Section 9)	57 to 71	Quantified for carbon tax and energy pricing risks

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS (Cont'd)				
16 (b)	The climate-related risks and opportunities identified in paragraph 16 (a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Strategy and Risk Management (Section 9)	57 to 71	–
16 (c) (i)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to;	Strategy and Risk Management (Section 9)	57 to 71	–
16 (c) (ii)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its planned sources of funding to implement its strategy; and	Strategy and Risk Management (Section 9)	57 to 71	–
16 (d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	Strategy and Risk Management (Section 9) – Climate-related Transition Risks (Section 9.2) – Climate-related Opportunity (Section 9.3)	61 to 65 66 to 71	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
CLIMATE RESILIENCE				
22	<i>An entity shall use climate-related scenario analysis to assess its climate resilience. In providing this disclosure, the entity shall disclose:</i>			
22 (a)	<i>The entity's assessment of its climate resilience as at the reporting date, which shall enable users of general-purpose financial reports to understand:</i>			
22 (a) (i)	The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1) – Climate-related Transition Risks (Section 9.2)	57 to 60 61 to 65	–
22 (a) (ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience.	Judgements and Measurement Uncertainties (Section 4) Strategy and Risk Management (Section 9)	50 57 to 71	–
22 (b) (i)	<i>How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including:</i>			
22 (b) (i) (1)	Which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	Judgements and Measurement Uncertainties (Section 4, NGFS scenarios) Strategy and Risk Management (Section 9)	50 57 to 71	–
22 (b) (i) (2)	Whether the analysis included a diverse range of climate-related scenarios;	Judgements and Measurement Uncertainties (Section 4) Strategy and Risk Management (Section 9)	50 57 to 71	Two NGFS scenarios are used
22 (b) (i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Judgements and Measurement Uncertainties (Section 4) Strategy and Risk Management (Section 9)	50 57 to 65	–
22 (b) (i) (4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Judgements and Measurement Uncertainties (Section 4)	50	–
22 (b) (i) (5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	Judgements and Measurement Uncertainties (Section 4) Strategy and Risk Management (Section 9)	50 57 to 65	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
CLIMATE RESILIENCE (Cont'd)				
22 (b) (i) (6)	The time horizons the entity used in the analysis; and	Basis of Preparation (Section 1) Strategy and Risk Management (Section 9)	48 57 to 71	–
22 (b) (i) (7)	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis).	Reporting Boundary (Section 3) Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1)	49 57 to 60	–
22 (b) (ii)	<i>How and when the climate-related scenario analysis was carried out, including the key assumptions the entity made in the analysis, including assumptions about:</i>			
22 (b) (ii) (1)	Climate-related policies in the jurisdictions in which the entity operates;	Strategy and Risk Management (Section 9) – Climate-related Transition Risks (Section 9.2, carbon tax assumptions)	61 to 62	–
22 (b) (ii) (2)	Macroeconomic trends;	Strategy and Risk Management (Section 9.2) – Climate-related Transition Risks - Change in customer values	65	–
22 (b) (ii) (3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);	Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1, sea level rise, water stress)	57 to 60	–
22 (b) (ii) (4)	Energy usage and mix;	Strategy and Risk Management (Section 9) – Climate-related Transition Risks (Section 9.2, energy tariff assumptions) – Climate-related Opportunity (Section 9.3, renewable energy)	63 to 65 70 to 71	–
22 (b) (ii) (5)	Developments in technology;	Strategy and Risk Management (Section 9) – Climate-related Opportunity (Section 9.3, renewable energy and energy efficiency)	70 to 71	–
22 (b) (iii)	The reporting period in which the climate-related scenario analysis was carried out.	Judgements and Measurement Uncertainties (Section 4)	50	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
RISK MANAGEMENT				
25	<i>To achieve this objective, an entity shall disclose information about:</i>			
25 (a) (i)	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9)	54 to 56 57 to 71	–
25 (a) (ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	Judgements and Measurement Uncertainties (Section 4) Strategy and Risk Management (Section 9)	50 57 to 71	–
25 (a) (iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Materiality Assessment (Section 8) Strategy and Risk Management (Section 9)	54 to 56 57 to 71	–
25 (a) (iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk;	Materiality Assessment (Section 8)	54 to 56	–
25 (a) (v)	How the entity monitors climate-related risks;	Strategy and Risk Management (Section 9)	57 to 71	–
25 (a) (vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period.	–	–	First reporting period.
25 (b)	An entity shall disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Strategy and Risk Management (Section 9) – Climate-related Opportunity (Section 9.3)	66 to 71	–
25 (c)	An entity shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Materiality Assessment (Section 8)	54 to 56	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
METRICS AND TARGETS				
CLIMATE-RELATED METRICS				
29 (a)	<i>An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gases – the entity shall:</i>			
29 (a) (i)	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent, classified as: Scope 1 greenhouse gas emissions; Scope 2 greenhouse gas emissions; Scope 3 greenhouse gas emissions.	Reporting Boundary (Section 3, GHG emissions) IFRS S2 Cross-industry Metrics (Section 10.2, Scope 1 and Scope 2)	49 79	Scope 3 GHG emissions not disclosed – transition relief applied (Section 1, page 48).
29 (a) (ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions.	Reporting Boundary (Section 3, GHG emissions)	49	–
29 (a) (iii)	The approach used to measure greenhouse gas emissions including: the measurement approach, inputs and assumptions; the reason why the entity has chosen the measurement approach, inputs and assumptions; and any changes made during the reporting period and the reasons for those changes.	Reporting Boundary (Section 3, GHG emissions) Judgements and Measurement Uncertainties (Section 4)	49 50	–
29 (a) (iv)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)(2), disaggregate emissions between: the consolidated accounting group; and other investees excluded from the consolidated accounting group (associates, joint ventures and unconsolidated subsidiaries).	Reporting Boundary (Section 3, GHG emissions) IFRS S2 Cross-industry Metrics (Section 10.2, Scope 1 and Scope 2)	49 79	–
29 (a) (v)	Location-based Scope 2 greenhouse gas emissions, and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	Reporting Boundary (Section 3, GHG emissions) IFRS S2 Cross-industry Metrics (Section 10.2, Scope 1 and Scope 2)	49 79	–
29 (a) (vi)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57: the categories included within the entity's measure of Scope 3 greenhouse gas emissions; and additional information about the entity's Category 15 emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.	–	–	Scope 3 relief applied (Section 1, page 48); financed emissions not applicable.

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
METRICS AND TARGETS (Cont'd)				
CLIMATE-RELATED METRICS (Cont'd)				
29 (b)	Climate-related transition risks — the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	IFRS S2 Cross-industry Metrics (Section 10.2, carbon tax, energy pricing) Strategy and Risk Management (Section 9) – Climate-related Transition Risks (Section 9.2)	79 61 to 65	–
29 (c)	Climate-related physical risks — the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	IFRS S2 Cross-industry Metrics (Section 10.2, premises exposed to sea level rise and water stress) Strategy and Risk Management (Section 9) – Climate-related Physical Risks (Section 9.1)	79 57 to 60	–
29 (d)	Climate-related opportunities — the amount and percentage of assets or business activities aligned with climate-related opportunities.	IFRS S2 Cross-industry Metrics (Section 10.2, purchases of sustainable product series) Strategy and Risk Management (Section 9) – Climate-related Opportunity (Section 9.3)	79 66 to 71	–
29 (e)	Capital deployment — the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	IFRS S2 Cross-industry Metrics (Section 10.2, capital deployment)	79	–
29 (f)	<i>An entity shall disclose information relevant to the cross-industry metric categories of internal carbon prices – the entity shall:</i>			
29 (f) (i)	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis).	IFRS S2 Cross-industry Metrics (Section 10.2, internal carbon prices)	79	The Group has not implemented internal carbon pricing.
29 (f) (ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	IFRS S2 Cross-industry Metrics (Section 10.2)	79	The Group has not implemented internal carbon pricing.
29 (g)	<i>An entity shall disclose information relevant to the cross-industry metric categories of remuneration – the entity shall:</i>			
29 (g) (i)	A description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)).	IFRS S2 Cross-industry Metrics (Section 10.2, remuneration)	79	–
29 (g) (ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	IFRS S2 Cross-industry Metrics (Section 10.2, remuneration)	79	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
METRICS AND TARGETS (Cont'd)				
CLIMATE-RELATED TARGETS (Cont'd)				
33	<i>An entity shall disclose the qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</i>			
33 (a)	The metric used to set the target.	–	–	No climate-related or GHG emissions targets set
33 (b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	–	–	–
33 (c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).	–	–	–
33 (d)	The period over which the target applies.	–	–	–
33 (e)	The base period from which progress is measured.	–	–	–
33 (f)	Any milestones and interim targets.	–	–	–
33 (g)	If the target is quantitative, whether it is an absolute target or an intensity target.	–	–	–
33 (h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	–	–	–
34	<i>An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</i>			
34 (a)	Whether the target and the methodology for setting the target has been validated by a third party.	–	–	–
34 (b)	The entity's processes for reviewing the target.	–	–	–
34 (c)	The metrics used to monitor progress towards reaching the target.	–	–	–
34 (d)	Any revisions to the target and an explanation for those revisions.	–	–	–
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	–	–	–

SUSTAINABILITY STATEMENT (CONT'D)

IFRS S2: CLIMATE-RELATED DISCLOSURES (Cont'd)

IFRS S2 INDICATOR	DESCRIPTION	SECTION	PAGE NUMBER	REMARKS
METRICS AND TARGETS (Cont'd)				
CLIMATE-RELATED TARGETS (Cont'd)				
36	<i>For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose:</i>			
36 (a)	Which greenhouse gases are covered by the target.	–	–	–
36 (b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	–	–	–
36 (c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	–	–	–
36 (d)	Whether the target was derived using a sectoral decarbonisation approach.	–	–	–
36 (e)	<i>The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the entity shall disclose information including:</i>			
36 (e) (i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	–	–	–
36 (e) (ii)	Whether the carbon credits are subject to a third-party verification or certification scheme, and if so, which scheme(s).	–	–	–
36 (e) (iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	–	–	–
36 (e) (iv)	Any other factors necessary for users of general-purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	–	–	–

SUSTAINABILITY STATEMENT (CONT'D)

PADINI HOLDINGS BERHAD

GRI Content Index

For the financial year ended 30 June 2026

Statement of use	Padini Holdings Berhad has reported the information cited in this GRI content index for the period 1 July 2025 to 30 June 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Disclosure		Section	Title / Location in report	Page Number
GRI 2: General Disclosures 2021				
1. The organisation and its reporting practices				
2-1	Organisational details	Who We Are	Corporate Profile	4-5
		Sustainability Statement	Overview of the Group and value chain (Section 2)	49
2-2	Entities included in the sustainability reporting	Sustainability Statement	Reporting boundary (Section 3)	49
2-3	Reporting period, frequency and contact point	Sustainability Statement	Basis of preparation (Section 1); Connectivity with financial statements (Section 1.3)	48
		About This Report	Feedback	2
2-4	Restatement of information	-	No restatement of information reported from previous reporting period	—
2. Activities and workers				
2-6	Activities, value chain and other business relationships	Sustainability Statement	Overview of the Group and value chain (Section 2); Reporting boundary — Value chain (Section 3)	49
2-7	Employees	Sustainability Statement	Our Social Impacts — Our Employees (Section 12.1)	84-86
2-8	Workers who are not employees	Not disclosed	Not disclosed	—
3. Governance				
2-9	Governance structure and composition	CGOS	CGOS*: Board of Directors	136-138
		Sustainability Statement	Sustainability governance (Section 6)	51
2-10	Nomination and selection of the highest governance body	CGOS	CGOS*: Board of Directors	136-138
2-11	Chair of the highest governance body	CGOS	CGOS*: Board of Directors	136-138
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Statement	Sustainability governance (Section 6)	51
			Stakeholder engagement (Section 7)	52-53
			Materiality assessment (Section 8)	54-56

SUSTAINABILITY STATEMENT (CONT'D)

GRI Standard / Disclosure		Section	Title / Location in report	Page Number
GRI 2: General Disclosures 2021 (Cont'd)				
3. Governance (Cont'd)				
2-13	Delegation of responsibility for managing impacts	Sustainability Statement	Sustainability governance (Section 6)	51
2-14	Role of the highest governance body in sustainability reporting	Sustainability Statement	Sustainability governance (Section 6)	51
2-15	Conflicts of interest	CGOS	Profile of Directors CGOS*: Board of Directors	129-134 136-138
2-16	Communication of critical concerns	Sustainability Statement	Stakeholder engagement (Section 7)	52-53
		CGOS	CGOS*: Communication with stakeholders	145
2-17	Collective knowledge of the highest governance body	CGOS	CGOS*: Board of Directors	136-144
2-18	Evaluation of the performance of the highest governance body	CGOS	CGOS*: Board of Directors	136-138
2-19	Remuneration policies	CGOS	CGOS*: Board of Directors	143-144
2-20	Process to determine remuneration	CGOS	CGOS*: Board of Directors	136-144
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Sustainability Statement	Basis of preparation (Section 1) Strategy and risk management (Section 9)	48 57-75
2-23	Policy commitments	CGOS	CGOS*: Board of Directors	136-138
2-24	Embedding policy commitments	CGOS	CGOS*: Board of Directors	136-138
2-25	Processes to remediate negative impacts	Sustainability Statement	Strategy and risk management (Section 9)	57-75
2-26	Mechanisms for seeking advice and raising concerns	About This Report	Feedback	2
2-27	Compliance with laws and regulations	Sustainability Statement	Strategy and risk management — Other sustainability-related risks: Regulatory compliance (Section 9.4)	72-75
2-28	Membership associations	Not disclosed	Not disclosed	-
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	Sustainability Statement	Stakeholder engagement (Section 7)	52-53
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Sustainability Statement	Materiality assessment (Section 8)	54-56
3-2	List of material topics	Sustainability Statement	Materiality assessment — Outcome of the materiality assessment (Section 8)	55

SUSTAINABILITY STATEMENT (CONT'D)

GRI Standard / Disclosure		Section	Title / Location in report	Page Number
GRI 3: Material Topics 2021 (Cont'd)				
3-3	Management of material topics	Sustainability Statement	Materiality assessment (Section 8)	54-56
			Strategy and risk management (Section 9)	57-75
GRI 102: Climate Change 2025				
102-1	Transition plan for climate change mitigation	Sustainability Statement	Strategy and risk management – Climate-related transition risks and opportunities (Sections 9.2–9.3)	61-71
102-2	Climate change adaptation plan	Sustainability Statement	Strategy and risk management – Climate-related physical risks (Section 9.1)	57-60
102-3	Just transition	—	Not disclosed	—
102-4	GHG emissions reduction targets and progress	Sustainability Statement	No targets set	—
102-5	Scope 1 GHG emissions	Sustainability Statement	Metrics and targets – IFRS S2 cross-industry metrics: Scope 1 (Section 10.2)	79
102-6	Scope 2 GHG emissions	Sustainability Statement	Metrics and targets – IFRS S2 cross-industry metrics: Scope 2 (Section 10.2)	79
102-7	Scope 3 GHG emissions	Sustainability Statement	Not disclosed	—
102-8	GHG emissions intensity	—	Not disclosed	—
102-9	GHG removals in the value chain	—	Not disclosed	—
102-10	Carbon credits	—	No carbon credits used	—
GRI 103: Energy 2025				
103-1	Energy policies and commitments	Sustainability Statement	Strategy and risk management – Climate-related Transition Risk – (b) Energy pricing increase (as an indirect impact from carbon tax) (Section 9.2(b)); Climate-related Transition Opportunity: Renewable energy and energy efficiency (Section 9.3(b))	64-65
				70-71
103-2	Energy consumption and self-generation within the organization	Sustainability Statement	Strategy and risk management – Climate-related Transition Risk – (b) Energy pricing increase (as an indirect impact from carbon tax) (Section 9.2(b)); Climate-related Transition Opportunity: Renewable energy and energy efficiency (Section 9.3(b))	64-65
				70-71
103-3	Upstream and downstream energy consumption	—	Not disclosed	—

SUSTAINABILITY STATEMENT (CONT'D)

GRI Standard / Disclosure		Section	Title / Location in report	Page Number
GRI 103: Energy 2025 (Cont'd)				
103-4	Energy intensity	—	Not disclosed	—
103-5	Reduction in energy consumption	Sustainability Statement	Strategy and risk management – Climate-related Transition Risk – (b) Energy pricing increase (as an indirect impact from carbon tax) (Section 9.2(b)); Climate-related Transition Opportunity: Renewable energy and energy efficiency (Section 9.3(b))	64-65 70-71
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Financial Statements and Notes to Financial Statements	Financial Statement and Notes to Financial Statement: Revenue, Employee Benefits, Tax expense, Finance Costs, Dividends	212-218
		Sustainability Statement	Sustainability Statement: Our Social Impacts: Caring from the heart – Our Community (Section 12.2)	97-99
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Sustainability Statement	Strategy and risk management — Other sustainability-related risks: Regulatory compliance (Section 9.4)	72-75
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Statement	Strategy and risk management — Other sustainability-related risks: Regulatory compliance (Section 9.4)	72-75
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Sustainability Statement	Metrics and targets — SASB: Composition of textile materials used (Section 10.1)	78
			Strategy and risk management — Climate-related opportunities: Sustainable product series (Section 9.3)	66-69
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Sustainability Statement	Metrics and targets — SASB: Environmental Impacts in the Supply Chain (Section 10.1, Table 1)	76
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Statement	Metrics and targets — SASB: Environmental Impacts in the Supply Chain (Section 10.1, Table 1)	76

SUSTAINABILITY STATEMENT (CONT'D)

GRI Standard / Disclosure		Section	Title / Location in report	Page Number
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Sustainability Statement	Employee turnover is disclosed under Our Employees (Section 12.1)	87
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement	Our Employees — Employees wellness and engagement; Welfare provisions (Section 12.1)	92-95
401-3	Parental leave	Sustainability Statement	Not disclosed	—
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Sustainability Statement	Our Employees — Occupational health and safety management (Section 12.1)	96
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Statement	Our Employees — Occupational health and safety management (Section 12.1)	96
403-3	Occupational health services	Sustainability Statement	Our Employees — Employees wellness and engagement (Section 12.1)	92-94
403-5	Worker training on occupational health and safety	Sustainability Statement	Our Employees — Employees development and growth: OSH training (Section 12.1)	96
403-6	Promotion of worker health	Sustainability Statement	Our Employees — Employees wellness and engagement (Section 12.1)	92-94
403-9	Work-related injuries	Sustainability Statement	Our Employees — Occupational health and safety management (43 minor injuries) (Section 12.1)	96
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Sustainability Statement	Total training hours by employee category is disclosed under Our Employees (Section 12.1)	89
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Statement	Our Employees — Employees development and growth; Raising tomorrow's leaders (Section 12.1)	88-91,96
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Sustainability Statement	Our Employees — Valuing diversity and equal opportunity; gender & age composition by region (Section 12.1)	84-86
		CGOS	CGOS – Section 1.3 Composition, Independence and Diversity of the Board	137-138
405-2	Ratio of basic salary and remuneration of women to men	Sustainability Statement	Our Employees — Salary composition by region (Section 12.1)	86

SUSTAINABILITY STATEMENT (CONT'D)

GRI Standard / Disclosure		Section	Title / Location in report	Page Number
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Sustainability Statement	Our Employees (Section 12.1)	87
GRI 408: Child Labour 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainability Statement	Strategy and risk management — Environmental impacts and labour conditions in the supply chain (Section 9.4); Metrics and targets — SASB: Labour conditions in the supply chain (Section 10.1, Table 1)	72-73 77
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Statement	Our Social Impacts — Our Community (Section 12.2)	97-99
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Sustainability Statement	Metrics and targets — SASB: Labour conditions in the supply chain (Section 10.1) Strategy and risk management — Environmental impacts and labour conditions in the supply chain (Section 9.4)	77 72-73
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement	Our Social Impacts — Our Customer: Consumer privacy (Section 12.3)	100

Notes

* CGOS refers to the Corporate Governance Overview Statement.

PROFILE OF DIRECTORS

DATUK LEE SAY TSHIN

73 years of age, Malaysian, Male

Chairman of the Board

Independent Non-Executive Director

Datuk Lee was appointed to the Board on 1 July 2023.

Datuk Lee graduated from the University of Malaya with a Bachelor of Economics (Honours) in 1975.

He is an accomplished banker with over fifty (50) years of experience in banking industry, having held various positions in HSBC Bank Malaysia Berhad, including Managing Director of Strategic Business Development prior to his retirement in 2013. He is currently the Vice Chairman, Strategic Initiatives for HSBC Bank Malaysia Berhad. Datuk Lee is also an adviser to Associate Chinese Chamber of Commerce Malaysia.

Other than his directorship with Padini Holdings Berhad, he is also the Independent Non-Executive Director of IGB REIT Management Sdn. Bhd.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

MR YONG PANG CHAUN

75 years of age, Malaysian, Male

Managing Director

Key Senior Management

Mr Yong was appointed to the Board on 26 March 1992.

An entrepreneur with extensive hands-on experience in the textiles and apparel industry, he has been and still is primarily responsible for the achievements of the Group.

After completing his secondary education, he joined a textile merchant in Singapore where he gained considerable experience in the textile trade. Returning to Malaysia several years later, he set up the Company's first subsidiary in 1971 to manufacture ladies fashion. From there, other businesses were set up and since then he has always set the strategies for the development of the Group. The recent success of the Group's brands and the presence that the brands command in the domestic market today are attestations to his entrepreneurial skills. His ability to analyse fashion trends and to react quickly to take advantage of changes in market conditions and consumers' preferences, has resulted in the Group being provided with tremendous opportunities for continued growth. Today, he continues to manage the strategies and plans for the Group's future.

Other than his directorship with Padini Holdings Berhad, he is not serving as a director in any other public companies.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

PROFILE OF DIRECTORS (CONT'D)

MR ANDREW YONG TZE HOW

45 years of age, Malaysian, Male

Executive Director

Key Senior Management

Mr Andrew Yong was appointed to the Board on 3 December 2015.

He graduated from the California State University, Northridge, Los Angeles, California with a Bachelor's Degree in Computer Science. From April 2006 to May 2008, he worked as a AS400 programmer contracted to Patimas PSG and a system operator in Prudential services.

He joined Padini in June 2008 as IT manager in Padini Dot Com Sdn. Bhd. managing all IT operations, system implementations and IT assets for the Group. He was promoted to General Manager – Operations in August 2015 and oversees, manage and direct overall operations of support departments of the Group.

Other than his directorship with Padini Holdings Berhad, he is not serving as a director in any other public companies.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

MR BENJAMIN YONG TZE JET

42 years of age, Malaysian, Male

Executive Director

Key Senior Management

Mr Benjamin Yong was appointed to the Board on 15 July 2016.

After graduating with a Bachelor's Degree in Arts, Media & Communication from the University of Melbourne, Victoria, Australia in 2005, Mr Benjamin Yong started his career as a Merchandising Assistant with Padini Merchandising department in September of the same year. He was promoted to the position of Merchandiser in 2007 and appointed as the Brand Manager for Padini Workwear in 2009. He is now the Head of Design, Merchandising and Retail of the Group and is responsible for the overall management, development and organisation of the design, merchandising, retail and branding activities for the brands assigned to him.

Other than his directorship with Padini Holdings Berhad, he is not serving as a director in any other public companies.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

PROFILE OF DIRECTORS (CONT'D)

MR CHRISTOPHER YONG TZE-YAO

40 years of age, Malaysian, Male

Executive Director
Key Senior Management

Mr Christopher Yong was appointed to the Board on 1 September 2023.

He graduated from Monash University, Victoria Australia in 2009, Mr Christopher Yong started his career in Brands Outlet as an Assistant Merchandising Manager. He was promoted as a Merchandiser in 2010 and subsequently a Senior Merchandiser in 2011. Mr Christopher Yong was then promoted to a Brand Manager for Brands Outlet in 2015. His role as a Brand Manager includes merchandise planning, marketing strategies, outlet operations, outlet design, stock distribution, leasing, advertising and promotions, social media and overall strategic planning.

Other than his directorship with Padini Holdings Berhad, he is not serving as a director in any other public companies.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

MS SUNG FONG FUI

52 years of age, Malaysian, Female

Executive Director
Key Senior Management

Ms Sung was appointed to the Board on 23 May 2018.

She is currently holding the position of Group Chief Financial Officer in Padini Holdings Berhad. She oversees overall finance operations, risk management, corporate governance and sustainability reporting and compliances. She is a member of the Malaysian Institute of Accountants and Fellow of Chartered Certified Accountant, UK.

She has more than twenty (20) years of experience in audit and assurance, listing and corporate advisory work. Prior joining Padini in May 2017, she was an audit partner in a large international accounting firm and was also the technical partner of the firm. Apart from audit, she has wide range of experience covering due diligence review, business advisory work and technical support to corporate exercises engagements varying from reverse takeover, initial public offerings and others. Her client portfolio includes local and international companies covering a broad spectrum of industries.

She is currently a member of the ACCA Malaysia Advisory Committee since 2022. She has also been appointed as the Chair of ACCA Malaysia Sustainability Taskforce since 2025.

Other than her directorship with Padini Holdings Berhad, she is not serving as a director in any other public companies.

For the financial year under review, she has attended all five (5) out of five meetings of the Board of Director.

PROFILE OF DIRECTORS (CONT'D)

MR NG CHEE HOONG

59 years of age, Malaysian, Male

**Chairman of Audit and Risk Committee
Member of Nominating and Remuneration Committee
Independent Non-Executive Director**

Mr Ng was appointed to the Board on 1 January 2024.

He is a member of the Association of Chartered Certified Accountants, the Malaysian Institute of Accountants, and the Chartered Tax Institute of Malaysia. Mr Ng is a practising accountant and auditor with over thirty (30) years of experience in public practice, specialising in audit and assurance, investigation work, and advisory services.

From June 1990 to April 2020, Mr Ng was a partner in various mid-tier accounting firms in Malaysia, with a brief period from March 2017 to February 2019 when he served as the Chief Financial Officer of an oil palm and rubber plantation company. He is currently the sole partner of an accounting firm which provides audit, taxation and advisory services.

Other than his directorship with Padini Holdings Berhad, he is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

MS TAN POH LING

56 years of age, Malaysian, Female

**Chairman of Nominating and Remuneration Committee
Member of Audit and Risk Committee
Independent Non-Executive Director**

Ms Tan was appointed to the Board on 1 July 2022.

She is a member of Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants, Chartered Tax Institute of Malaysia, ASEAN Federation of Accountants and Financial Planning Association of Malaysia.

She joined one of the Big Four accounting firm in Malaysia in 1990 and obtained her professional qualification there.

Ms Tan has over thirty (30) years in the area of auditing, corporate advisory, accounting, taxation, financial due diligence and mergers and acquisitions. She is currently the Managing Partner of Total International Associates, an audit firm based at Kuala Lumpur.

Other than her directorship with Padini Holdings Berhad, she is also a Non-Independent Non-Executive Director of Euro Holdings Berhad.

For the financial year under review, she has attended four (4) out of five (5) meetings of the Board of Directors.

PROFILE OF DIRECTORS (CONT'D)

MS TAN SHI WEN

39 years of age, Malaysian, Female

**Member of the Audit and Risk Committee
Member of Nominating and Remuneration Committee
Independent Non-Executive Director**

Ms Tan was appointed to the Board on 21 September 2021.

She holds a LL.B. (Hons) from the University of Manchester. She also holds a Postgraduate Diploma in EU Competition Law and LL.M (Master of Laws) in International Commercial Law.

She is a practising corporate lawyer at Messrs Skrine, where she commenced legal practice after her admission to both English and Malaysian Bar. She has been a partner of Messrs Skrine since 2018 and has been in practice for over ten (10) years. Throughout her practice, she has been involved in advising on numerous exercises for international and local companies ranging from mergers and acquisitions to business reorganisations, corporate governance and regulatory compliance. She is also the Head of Skrine's Competition Practice and has in-depth knowledge and experience in this area.

Other than her directorship with Padini Holdings Berhad, she is also the founder and currently a director of SESO Berhad, a public company (a non-profit enterprise which aims to combat food waste and food poverty).

For the financial year under review, she has attended all five (5) meetings of the Board of Directors.

MR TIMOTHY TAN HENG HAN

45 years of age, Malaysian, Male

**Member of Audit and Risk Committee
Member of Nominating and Remuneration Committee
Independent Non-Executive Director**

Mr Timothy Tan was appointed to the Board on 1 July 2023.

He holds a Bachelor of Business from University of Technology Sydney, Australia. He also holds Diploma in Marketing Communication from International Advertising Association and Diploma in Marketing Research from Marketing Research Society of Australia.

Mr Timothy Tan started his career as a Worksite Marketing Executive with Allianz Life Insurance (M) Berhad from 2003 – 2004. In 2004, he joined Kawan Food Berhad as the Head of Export and he was promoted to the position of Director of International Business of Kawan Food Berhad. In 2015, Mr Timothy was further promoted to the position of the Group Managing Director and he held this position until 2020. He is currently a consultant for International Business.

Other than his directorship with Padini Holdings Berhad, he is also the Independent Non-Executive Chairman of One Gasmaster Holdings Berhad.

For the financial year under review, he has attended all five (5) meetings of the Board of Directors.

PROFILE OF DIRECTORS (CONT'D)

Other Information

i. Family Relationship

Mr Yong Pang Chaun is the spouse of Ms Chong Chin Lin who is the substantial shareholder of the Company. Mr Andrew Yong Tze How, Mr Benjamin Yong Tze Jet and Mr Christopher Yong Tze-Yao are sons of Mr Yong Pang Chaun and Ms Chong Chin Lin. None of the other Directors above have any family relationship with one another. Mr Yong Pang Chaun and Ms Chong Chin Lin are the major shareholders in the company by virtue of their interest in Yong Pang Chaun Holdings Sdn Bhd which owns a 43.74% interest in the shares in the Company as at 30 June 2026.

ii. Conflict of Interest

None of the Directors have any conflict of interest or potential conflict of interests with the Group.

iii. Convictions for offences

None of the Directors have been convicted for offences within the past five (5) years other than for traffic offences, if any.

iv. Material Contracts

No material contracts had been entered into for the financial year under review between the Group and the Directors and/or Major Shareholders.

v. No. of board meetings held

Five (5) Board meetings were held during the financial year ended 30 June 2026.

vi. Non-audit fee

There was a non-audit fee of RM49,800 paid to BDO PLT and its affiliated firms during the financial year.

vii. Key senior management

The key senior management are also the Executive Directors of the Company and their particulars are disclosed in the Profile of Directors Section.

viii. Employee Share Option Scheme

On 26 August 2022, the Company proposed to establish an Employees' Share Option Scheme ("Proposed ESOS") involving up to 15% of the total number of Issued Shares of Padini (excluding Treasury Shares, if any) for eligible Executive Directors and Employees of Padini and its subsidiaries ("Padini Group" or "the Group"). The Proposed ESOS involves the granting of ESOS options to Executive Directors and Employees of the Group who meet the criteria of eligibility. The Proposed ESOS, when implemented, shall be in force for a period of five (5) years from the effective date, with an option to extend another five (5) years.

The Proposed ESOS had been approved at the Annual General Meeting (41st AGM) on 25 November 2022. However, some of the other resolutions relating to the proposed allocations thereto were not carried.

Pursuant to Paragraph 6.42 of the Main Market Listing Requirements of Bursa Securities, the implementation of the ESOS is effective from 3 March 2023.

As of the reporting date, no ESOS option has been offered to eligible Executive Directors and employees of the Company and its subsidiaries.

DIRECTOR'S RESPONSIBILITY STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

Pursuant to paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as required by Companies Act 2016 in Malaysia, the Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the Company and its subsidiaries as at the end of the financial year, and of the financial performance and cash flows for the financial year then ended.

In ensuring the preparation of these financial statements of Padini Holdings Berhad, the Directors have ensured the following: -

- Adopted suitable accounting policies and apply them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Making of judgements and estimates that are appropriate, reasonable and prudent.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy the financial position of the Company and ensuring that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group, and to prevent and detect fraud and other such irregularities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Padini Holdings Berhad has always been committed to ensure the fulfillment of the highest standards of Corporate Governance as set out in the Malaysian Code on Corporate Governance (“the Code” or “MCCG”) and is proactive to ensure Principles and Recommendations are practised throughout the Group. The Board believes that strong corporate governance is essential in safeguarding and enhancing shareholders’ value and for long-term sustainability and growth.

The Board is pleased to present the Corporate Governance Overview Statement (“this Statement”) which seeks to provide shareholders and investors vital insights into the corporate governance (“CG”) practices of the Group to the investors for the financial year ended 30 June 2026 (“FY2026”).

This statement describes the approaches that the Group has taken with respect to the principles or practices of the MCCG 2021 and the extent of compliance with the Recommendations of the MCCG 2021, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Bursa Malaysia’s Corporate Governance Guide (“CG Guide”).

The detailed application for each practice as set out in the MCCG 2021 is disclosed in the CG report, which is available in the Group’s website, at <https://corporate.padini.com>

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD OF DIRECTORS

1.1 Board Charter and Code of Conduct of the Board

The Board has established a Board Charter which clearly sets out the principal roles of the Board, and responsibilities of the Board, Board Chairman, Managing Director and Board Committees.

The Board Charter is periodically reviewed by the Board and updated, taking into consideration the needs of the Group as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board’s duties and responsibilities.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct and Ethics reinforces the Group’s core value on integrity by providing guidance on moral and ethical behaviour that is expected from all employees.

The Board has established policies and procedures on whistleblowing which provide an avenue for employees of the Group to raise concerns or disclose any improper conduct within the Group.

The Board Charter and Code of Conduct of the Board are made available for reference in the Group website at <https://corporate.padini.com>

Governance of Sustainability

The Board reviewed the practices under MCCG 2021 and to continuously ensures that there is an effective governance framework for Group’s sustainability. Group’s sustainability works to address Group’s material sustainability risks and opportunities are still ongoing. To keep abreast of sustainability issues which are relevant to the Group’s business operations, several training programmes have been organised for the Board as well as employees during the financial year under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

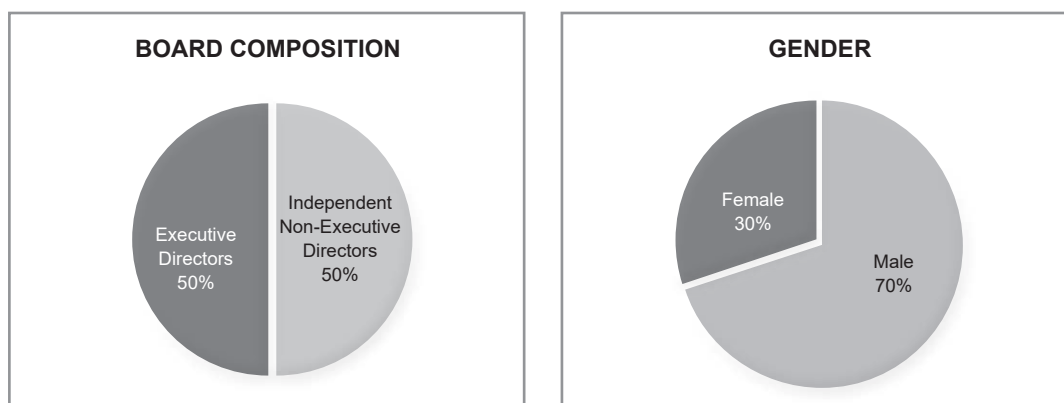
1.2 Roles and Responsibilities of the Board

The Board is accountable and responsible for the overall performance and affairs of the Group by overseeing and appraising the Group's strategies and policies in achieving the objectives and long-term goals of the Group.

In line with the practice of good corporate governance, the Board has established and implemented various processes to assist members of the Board in the discharge of their roles and responsibilities. The Board's roles and responsibilities include the following:

1. Establishing and reviewing the Group's long-term direction through formulation of business objectives and strategies.
2. Approving the Group's annual business plans, annual budget and carries out periodic review of the achievements by the various operating divisions against their respective business target.
3. Promoting a sound corporate governance culture which reinforces ethical, business integrity, commitment to values, delivering sustainable values and managing shareholders' and stakeholders' expectation.
4. Ensuring the Group has appropriate business risk management process.
5. Ensuring that there is in place an appropriate succession plan for members of the Board and senior management.
6. To be accountable to its shareholders and stakeholders who may be affected by the Group's decision.

1.3 Composition, Independence and Diversity of the Board



There are currently ten (10) members in the Board, comprising five (5) Independent Non-Executive Directors and five (5) Non-Independent Executive Directors. The current Board composition complies with the Listing Requirements but departed from MCCG 2021 in which the Board comprises 50% of non-independent directors. A brief profile of each Board member is as set out in the Integrated Annual Report 2026 "Profile of Directors".

There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision-making. The position of Chairman is held by Datuk Lee Say Tshin, an Independent Non-Executive Director, while the position of Managing Director is held by Mr Yong Pang Chaun. The Chairman is responsible in leading the Board in its collective oversight of Management whilst the Managing Director is responsible to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.3 Composition, Independence and Diversity of the Board (Cont'd)

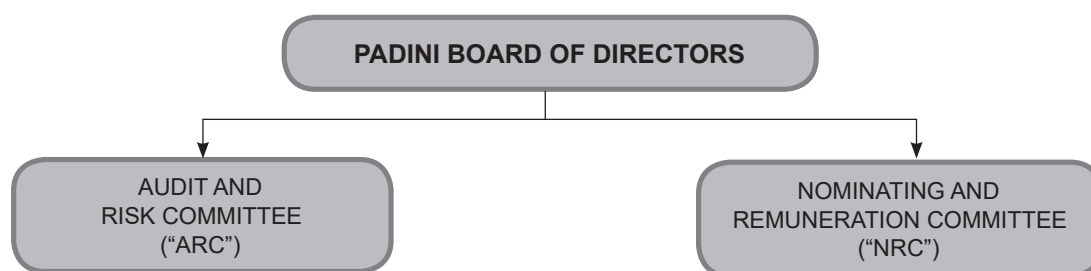
In promoting diversity, gender and opportunities, the Board, on the recommendation of the Nominating and Remuneration Committee ("NRC"), has adopted a diversity policy on the Board and workforce of the Group. The Board, via the NRC conducts regular reviews of its composition with the aim to ensure it achieves a diverse Board which is able to unearth a breadth of perspectives. The Group takes into account the benefits of having different facets of diversity including gender, professional background, skills and experience in sourcing suitable candidates for its Board. In appointing an appropriate individual to the Board, the NRC considers and recommends to the Board the suitable candidate after evaluating the candidate's skills, knowledge, competencies, expertise and experience, time commitment, professionalism, integrity and diversity.

In line with the Government's aspiration to have at least 30% women representation in decision-making positions of Malaysian public companies, the Company currently has three (3) female members on the Board, representing 30% of the total Board Members. The Group also ensures diversity in its management level by having strong female representation at the management level which could potentially be a pipeline for future candidates to be appointed as Directors or Senior Management.

The Board is further supported by two (2) qualified and competent Group Secretaries. The Group Secretaries manage all Board meetings, Board Committees and the group subsidiaries meetings and ensure accurate and proper records of the proceedings and resolutions passed, are maintained in the statutory records at the registered office of the Group. The Group Secretaries regularly update the Board on new regulations issued by the regulatory authorities.

1.4 Board Committees

To ensure the effectiveness in discharging its duties and responsibilities, the Board has delegated its power to the relevant Board Committees such as the Audit and Risk Committee ("ARC") and the Nominating and Remuneration Committee ("NRC"). Each committee operates its functions within their approved terms of reference by the Board which are reviewed by the Board as and when necessary.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.5 Nominating and Remuneration Committee Report

During the financial year, the Nominating and Remuneration Committee, carried out the following reviews and discussions in discharging their functions and duties:-

- (1) The results of the performance and evaluation of
 - (i) the Directors and the Board; and
 - (ii) the Audit and Risk Committee and its members, for the financial year ended 30 June 2025;
- (2) Re-election of Directors retiring at the Annual General Meeting in accordance with Clause 103(1) of the Company's Constitution;
- (3) Directors' fee for the financial year ended 30 June 2026;
- (4) Directors' Benefits payable for the period from 1 July 2025 to the Annual General Meeting to be held in 2026;
- (5) Reviewed the Board Assessment Form;
- (6) Reviewed the Nominating and Remuneration Committee Charter, Board Remuneration Policy and Policy on Nomination, Assessment and re-election of Director;
- (7) The results of the Key Performance Indications ("KPI") for the year ended 30 June 2025, the detailed KPI for the financial year 2025/2026 and the Mid Year Report on KPI for the financial year 2026;
- (8) Trainings attended by Directors to-date and their further training needs and requirements;
- (9) Review the proposed appointment of a Director in another company;

All the above matters were subsequently brought to the attention of the Board of Directors for discussion and approval where necessary.

1.6 Board Meeting

The Board meets regularly, at least once in every quarter, to review the Group's operations and to approve the quarterly reports and annual financial statements. Additional meeting would be convened when urgent and important decision needs the Board's review and consideration between scheduled meetings. During the financial year under review, five (5) meetings of the Board were held, and all Directors have complied with the requirement in respect of Board Meeting attendance as provided in the Listing Requirements.

Details of the attendance are as follow:

	DIRECTORS	POSITION	BOARD MEETINGS ATTENDED
1	Datuk Lee Say Tshin	Chairman, Independent Non-Executive Director	5/5
2	Mr Yong Pang Chaun	Managing Director	5/5
3	Mr Andrew Yong Tze How	Executive Director	5/5
4	Mr Benjamin Yong Tze Jet	Executive Director	5/5
5	Mr Christopher Yong Tze-Yao	Executive Director	5/5
6	Ms Sung Fong Fui	Executive Director	5/5
7	Mr Ng Chee Hoong	Independent Non-Executive Director	5/5
8	Ms Tan Shi Wen	Independent Non-Executive Director	5/5
9	Ms Tan Poh Ling	Independent Non-Executive Director	4/5
10	Mr Timothy Tan Heng Han	Independent Non-Executive Director	5/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.7 Directors' Training

The Directors attended courses, seminars, conferences and talks to enhance their skill sets and knowledge to enable them to carry out their duties and discharge their responsibilities as Directors of the Company. Additionally, the Directors kept themselves updated with the changes in the business and regulations through sharing and discussion in official Board meetings and unofficially through small group discussions among the Directors.

The Board had undertaken an assessment of the trainings attended by the Directors and the training needs and requirements. The Board will continue to identify training topics that can further enhance its knowledge in the latest development relevant to the Group.

The training programmes attended in financial year 2026 are as follows:

No.	TRAINING/COURSES	Datuk Lee Say Tshin	Mr Yong Pang Chaun	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Mr Christopher Yong Tze-Yao	Ms Sung Fong Fui	Mr Ng Chee Hoong	Ms Tan Poh Ling	Ms Tan Shi Wen	Mr Timothy Tan Heng Han
01	Navigating IFRS S1 and IFRS S2-Day 1	✓	✓	✓	✓	✓	✓	✓		✓	✓
02	Navigating IFRS S1 and IFRS S2-Day 2		✓	✓	✓	✓	✓	✓	✓	✓	✓
03	Secure Computer User - Leadership Edition		✓	✓	✓	✓	✓	✓	✓	✓	✓
04	Audit Committee Conference 2025	✓									
05	Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership	✓									
06	Cybersecurity Risk HSBC	✓									
07	Global Mandatory Training - Why good conduct matters	✓									
08	Navigating Risk Driving Resilience	✓									
09	Deloitte TaxMax - The 51st Series						✓				
10	MFRS/IFRS 18 in Practice: A Practical Guide for Accountants, Preparers, and Auditors						✓				
11	Tax Seminar on Budget 2026						✓	✓			

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.7 Directors' Training (Cont'd)

No.	TRAINING/COURSES	Datuk Lee Say Tshin	Mr Yong Pang Chaun	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Mr Christopher Yong Tze-Yao	Ms Sung Fong Fui	Mr Ng Chee Hoong	Ms Tan Poh Ling	Ms Tan Shi Wen	Mr Timothy Tan Heng Han
12	The Fundamentals of Impairment Concept Used in IFRS/MFRS including the application of specific impairment models						✓				
13	Audit Oversight Board: Conversation with Audit Committees							✓			
14	Beyond Audit: Strategic Diversification Through Compilation Engagements							✓			
15	Implementation of e-invoicing in Malaysia							✓			
16	Mastering Malaysian Personal Taxation from Everyday Income to Strategic Compliance							✓			
17	MFRS 18, IFRS S1 & S2							✓			
18	MFRS Update							✓			
19	SMP Transformation: From traditional audit to modern practice							✓			
20	Statement on Risk Management and Internal Control Guide 2025 training							✓			
21	Auditing of Construction contracts & Property Development Activities								✓		
22	Improving Quality : Root Cause Analysis								✓		
23	ISQM Refresher Programme for Practitioners - Addressing Quality Risks, SOQM Implementation and Monitoring								✓		

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.7 Directors' Training (Cont'd)

No.	TRAINING/COURSES	Datuk Lee Say Tshin	Mr Yong Pang Chaun	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Mr Christopher Yong Tze-Yao	Ms Sung Fong Fui	Mr Ng Chee Hoong	Ms Tan Poh Ling	Ms Tan Shi Wen	Mr Timothy Tan Heng Han
24	MIA Sustainability Showcase 2025								✓		
25	Recap and Overview of key Auditing Standard(ISAs)								✓		
26	Update on Regulatory Requirements								✓		
27	MyCC Competition Summit 2025: Strengthening Competition Through the 'G' in ESG for a Sustainable Future									✓	
28	the Market Review on the Digital Economy Ecosystem									✓	
29	Bursa Malaysia - Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level										✓
30	ICDM Post-Budget 2026 Dialogue: Key Highlights & Conversation with Datuk Johan Mahmood Merican										✓
31	The People Lab - A Taste of High-Performance Teams Unlock the Hidden Science of Teamwork (and Dutch Flavors) in Just One Afternoon										✓

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.8 Directors' Remuneration

The Group has in place a remuneration framework and procedures to determine the remuneration of the Directors, which is clear and transparent, designed to attract and retain the right talent in the Board taking into consideration factors such as their fiduciary obligations and responsibilities, time commitment, and the Group's performance and market conditions. Each individual Director abstained from discussion on his/her own remuneration/fees.

The objective of the Group's remuneration policies is to provide fair and competitive remuneration to its Board and senior management personnel for the Group to benefit by attracting and retaining a high-quality team.

A summary remuneration of the Directors for the financial year ended 2026 distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components are set out below in Ringgit Malaysia (RM):

Group

			Fees	Salaries & Bonuses	Statutory Contributions	Other Emoluments*	Total
1	Datuk Lee Say Tshin	Independent Non-Executive Director	128,000	–	–	6,000	134,000
2	Mr Yong Pang Chaun	Executive Director	–	1,739,686	69,588	29,180	1,838,454
3	Mr Andrew Yong Tze How	Executive Director	–	1,010,970	121,317	31,150	1,163,437
4	Mr Benjamin Yong Tze Jet	Executive Director	–	1,010,970	121,317	25,100	1,157,387
5	Mr Christopher Yong Tze-Yao	Executive Director	–	866,970	104,037	31,150	1,002,157
6	Ms Sung Fong Fui	Executive Director	–	1,106,970	132,837	31,150	1,270,957
7	Mr Ng Chee Hoong	Independent Non-Executive Director	105,000	–	–	6,000	111,000
8	Ms Tan Shi Wen	Independent Non-Executive Director	95,000	–	–	6,000	101,000
9	Ms Tan Poh Ling	Independent Non-Executive Director	100,000	–	–	5,000	105,000
10	Mr Timothy Tan Heng Han	Independent Non-Executive Director	95,000	–	–	6,000	101,000
11	Ms Chew Voon Chyn*	Executive Director	–	40,000	4,800	2,596	47,396

* Ms Chew Voon Chyn resigned from the Board on 1 August 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD OF DIRECTORS (CONT'D)

1.8 Directors' Remuneration (Cont'd)

Company

			Fees	Salaries & Bonuses	Statutory Contributions	Other Emoluments*	Total
1	Datuk Lee Say Tshin	Independent Non-Executive Director	128,000	–	–	6,000	134,000
2	Mr Ng Chee Hoong	Independent Non-Executive Director	105,000	–	–	6,000	111,000
3	Ms Tan Shi Wen	Independent Non-Executive Director	95,000	–	–	6,000	101,000
4	Ms Tan Poh Ling	Independent Non-Executive Director	100,000	–	–	5,000	105,000
5	Mr Timothy Tan Heng Han	Independent Non-Executive Director	95,000	–	–	6,000	101,000

* Included in other emoluments are allowances and benefits-in-kind.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established by the Board to assist the Board of Directors in overseeing the financial reporting process, monitoring the accuracy and integrity of the Group's annual and quarterly financial statements. The Audit and Risk Committee also reviews and evaluates the performance of external audit and internal audit in ensuring efficiency and effectiveness of the Group's operation, adequacy of internal control system, compliance with established policies and procedures, transparency in decision-making process and accountability of financial and management information.

The Group's current Audit and Risk Committee is made up of four (4) Independent Non-Executive Directors. The Chairman of the Audit and Risk Committee is Mr. Ng Chee Hoong, who is an Independent Non-Executive Director and neither serves as the Chairman of the Board so as not to impair the objectivity of the Board's view of the Audit and Risk Committee's findings and recommendations.

Please refer to the Audit and Risk Committee Report for further details.

2. RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that risk management is an integral part of good management practices. The Board has in place risk management and internal control systems which enable Management to identify, assess, prioritise and manage risks on a continuous and systematic basis.

The Group's risk management and internal control systems are designed to meet the Group's particular needs, to efficiently and effectively manage risks that may impede the achievement of the Group's business objectives, and to provide information for accurate reporting and ensure compliance with regulatory and statutory requirements. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss. Any major changes to risks or emerging significant risk of the business units in the Group together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the Board by the Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. COMMUNICATION WITH STAKEHOLDERS

The Board strives to maintain an open and transparent channel of communication with its shareholders, institutional investors and the investing public at large with the objective of providing as clear and complete picture of the Group's performance and position as possible. Such information is communicated on a timely basis through the following channels:

- The various private and group meetings with financial analysts, fund managers, private and institutional investors;
- The various disclosures and announcements on Bursa Securities' website including quarterly and annual results;
- The annual report;
- The Annual General Meeting ("AGM"); and
- The Group's website, <https://corporate.padini.com>

2. CONDUCT OF GENERAL MEETINGS

The Group's General Meetings remain the main channel of communication with the Group's shareholders, in particular private investors. The Board will ensure the suitability of the venue and timing of meetings and undertake other measures to encourage shareholders' participation in the meetings. In view of new normal practice brought about by the Covid-19 pandemic, Padini held its virtual General Meeting in the previous financial years. As the country has entered the endemic phase of Covid-19 pandemic, the Board has decided to shift back to physical platform which facilitates two-way communication flow during general meeting. At each General Meeting, shareholders are given the opportunity to seek clarification on any matter pertaining to the business activities and financial performance of the Group.

Shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absence. This is in line with the Listing Requirements in mandating poll voting for all resolutions set out in the notice of general meetings. The Group shall ensure, through its Polling Agent, that all valid proxy or corporate representatives or attorney appointments are properly received and recorded.

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year. In preparing the financial statements, the Directors have ensured that the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Listing Requirements of Bursa Securities have been applied. The Directors are responsible for taking such steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

3. SENIOR MANAGEMENT

The Group has disclosed the information regarding the top senior management's remuneration from an alternate perspective which is intended to achieve a similar outcome.

A remuneration package of senior management is established to ensure a good balance between attracting, retaining and motivating staff. The total remuneration package of the top ten (10) senior management has been disclosed in practice 8.2 of the Corporate Governance Report. Corporate Governance Report is available via announcement on the website of Bursa Securities. This has excluded the remuneration of Executive Directors which has been declared under the Directors' Remuneration.

Fixed remuneration refers to basic salary and other fixed income which commensurate with the role, position, experience, qualifications and responsibility of an individual. Variable remuneration refers to discretionary bonus which is cash based and does not consist of non-cash instruments. The pool of variable remuneration is determined by the Group's financial performance, achievement of key performance indicators and overall economic outlook.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Board of Directors of Padini Holdings Berhad is pleased to present the Audit and Risk Committee Report of the Board for the financial year ended 30 June 2026.

COMPOSITION OF THE AUDIT AND RISK COMMITTEE

The present members of the Audit and Risk Committee of the Company are:

- i. Mr Ng Chee Hoong (Independent Non-Executive Director; Chairman)
- ii. Ms Tan Poh Ling (Independent Non-Executive Director; Member)
- iii. Ms Tan Shi Wen (Independent Non-Executive Director; Member)
- iv. Mr Timothy Tan Heng Han (Independent Non-Executive Director; Member)

TERMS OF REFERENCE

The details of the terms of reference of the Audit and Risk Committee are available for reference at <http://corporate.padini.com>.

ATTENDANCE OF AUDIT AND RISK COMMITTEE MEETINGS

The details of attendance of each Audit and Risk Committee member in the Audit and Risk Committee meetings held during the financial year ended 30 June 2026 are as follows:

	DIRECTORS	Meetings attended by the Directors/ Total Number of Meetings held during the financial year ended 30 June 2026	% of Attendance
1	Mr Ng Chee Hoong	5/5	100%
2	Ms Tan Poh Ling	4/5	80%
3	Ms Tan Shi Wen	5/5	100%
4	Mr Timothy Tan Heng Han	5/5	100%

The Group's Consolidated Financial Statements are prepared by finance personnel with the appropriate level of qualifications and expertise. The Committee reviews any published financial information including the Integrated Annual Report and quarterly financial reports. The Committee reports its views to the Board to assist with its approval of the announcements results and the Audit and Risk Committee Report as well as the Statement on Risk Management and Internal Control, which form part of the Integrated Annual Report.

The Committee also receives reports by the Statutory Auditors on year-end audit procedures which highlight any issues identified from the work undertaken in the audit. The financial issues impacting Financial Statements 2026 are discussed by the Committee during the meeting.

REPORT OF THE AUDIT AND RISK COMMITTEE (CONT'D)

SUMMARY OF THE WORK OF THE AUDIT AND RISK COMMITTEE

During the financial year, the Audit and Risk Committee carried out the following in discharging their function and duties:

1. Financial Reporting

- Reviewed the quarterly results and annual audited financial statements of the Group and of the Company before recommending to the Board for release to Bursa Securities. The review focused primarily on:
 - i. changes in or implementation of major accounting policy changes;
 - ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - iii. compliance with accounting standards and other legal requirements.
- Discussed with Management and the Statutory Auditors, amongst others, on the quarterly financial results and annual audited financial statements regarding the accounting principles and standards that were applied and their judgement exercised on the items that may affect the financial results and statements; and
- Review of any related party transactions.

2. External Audit

- Reviewed with the Statutory Auditors, their audit plan for the financial year ended 30 June 2026 to ensure that their scope of work adequately covers the activities of the Group;
- Reviewed the results and issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their presentation to the Committee;
- Reviewed the Statutory Auditors' report;
- The Audit and Risk Committee met with the Statutory Auditors at least once during the year, without the presence of Management, to review key issues within their sphere of interest and responsibility. During the private session with the Statutory Auditors, it was noted that there were no major concerns from the Statutory Auditors;
- Reviewed audit and non-audit fees for services awarded to the statutory auditors. Generally, the Group's Statutory Auditors is prohibited from providing any services that would conflict with their statutory responsibilities, or which would otherwise compromise their objectivity or independence. During the financial year, BDO PLT's audit fee amounted to RM282,600 and BDO PLT with its affiliated firms' non-audit fees were RM49,800; and
- Reviewed and assessed the performance, suitability and independence of the Statutory Auditors based on, amongst others, the quality of service, sufficiency of resources, communication and interaction, as well as independence, objectivity and professional skepticism. The Statutory Auditors provide annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements. The Audit and Risk Committee was satisfied with the performance and the audit independence of the Statutory Auditors. Accordingly, it was recommended to the Board to re-appoint BDO PLT as auditors of the Company.

REPORT OF THE AUDIT AND RISK COMMITTEE (CONT'D)

SUMMARY OF THE WORK OF THE AUDIT AND RISK COMMITTEE (CONT'D)

3. Internal Audit

- Reviewed the reports by Internal Auditors, representations made, and corrective actions taken by the management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis. During the financial year, four (4) new reports and four (4) follow-up reports were presented to the Audit and Risk Committee focusing on the following matters:
 - Management of Anti-Bribery and Anti-Corruption in the Group
 - Group Membership and Customer Relationship Management
 - Corporate Governance Practices and Risk Management Process
 - Health and Safety Management
 - Merchandising for all brands except Brands Outlet & Vincci; and
 - Centralised Warehouse and Security Management
- Reviewed the follow-up reports from the internal audit and ensure the issues were appropriately addressed on a timely basis;
- The Audit and Risk Committee meets with the Internal Auditors once during the year, without the presence of Management, to review key issues within their sphere of interest and responsibility. During the private session with the Internal Auditors, it was noted that there were no major concerns from the internal auditors.
- Reviewed the effectiveness of the audit process and assessed the performance of the overall Internal Audit function.
- Reviewed the adequacy, scope, function, competency and resources of Internal Audit function.

4. Risk Assessment

- The Group has implemented an Enterprise Risk Management ("ERM") framework for the Group. During this financial year, the Committee continues to review the risk management policy and guidelines, and the risk appetite of the Group.
- Reviewed the report and updated the Risk Register from the Risk Management Committee. The Risk Management Committee is responsible for overseeing all risk management activities, reviewing key risks inherent in the organisation, establishing internal controls necessary to manage these risks and reporting their findings to the Audit and Risk Committee. For detailed information, please refer to the Statement on Risk Management and Internal Control in the Integrated Annual Report of the Group.

REPORT OF THE AUDIT AND RISK COMMITTEE (CONT'D)

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent external party, Baker Tilly Monteiro Heng Governance Sdn. Bhd. which reports directly to the Committee. The Committee oversees the internal audit function and monitors its relationship with the Internal Auditors, including plans and performance. It reviews and assesses the quarterly Internal Audit reports together with management's actions on findings to gain assurance as to the effectiveness of the internal control framework throughout the Group.

The Group's annual professional fee for internal audit services charged by the outsourced internal auditors is RM72,000.

STATUTORY AUDITORS

The Committee is responsible to the Board for recommendations on the appointment, re-appointment and removal of the Statutory Auditors. As part of this process the Committee assesses annually the independence and objectivity of the Statutory Auditors, considering relevant professional and regulatory requirements and the relationship with the Statutory Auditors as a whole, including the provision of any non-audit services. The Committee also assesses the Statutory Auditors' performance and effectiveness during the exercise of their duties.

The Statutory Auditors attended three (3) meetings of the Committee of which the activities are as disclosed under 'Summary of the Work of the Audit and Risk Committee'.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The main features and the adequacy of Padini's risk management and internal control system, hereinafter referred to as "the System", are primarily guided by the objective that the System is meant to accomplish, and that is to assure that the achievement of the Group's strategic and operational goals is done within an environment where losses and liabilities arising from risks, uncertainty and random events can be minimised, protected against and even avoided altogether.

The Group has implemented an Enterprise Risk Management ("ERM") system to manage the risks and opportunities related to the achievement of strategic objectives. The ERM framework that the Group adopts consists of six (6) elements. Periodic discussions are held internally with each division and the consolidated risk register and action plans are updated accordingly. The updated consolidated risk register and major matters are then discussed at the Board meetings.

The six (6) elements are:



Leadership and commitment: Top Management and oversight bodies (e.g. Risk Management Committee ("RMC")) should demonstrate leadership and commitment and ensure that risk management is integrated into all organisation activities.

Integration: Risk management should be a part of, and not separate from, the organisational purpose, governance, leadership and commitment, strategy, objectives and operations.

Design: This comprises understanding the Group and its context, articulating risk management commitment, assigning organisational roles, authorities, responsibilities and accountabilities, allocating resources and establishing communication and consultation.

Implementation: This comprises developing a plan, identifying where, when and how different types of decisions are made, modifying decision-making processes where necessary, and ensuring the Group's arrangements for managing risks are understood and practised.

Evaluation: The Group shall periodically measure risk management framework performance against its purpose, implementation plans, indicators and expected behaviour, and determine whether it remains suitable to support achieving the objectives of the Group.

Improvement: The Group shall continually monitor and adapt the risk management framework to address external and internal changes. As relevant gaps or improvement opportunities are identified, the Group shall develop plans and tasks and assign them to those accountable for implementation.

Our risk assessment process is as follows:

- Define processes/ activities/ objectives
- Determine risk parameter
- Identify risk
- Determine cause
- Determine consequences
- Determine likelihood
- Determine gross risk rating
- Identify controls
- Determine control effectiveness
- Challenge/ Revise ratings
- Determine current residual risk rating
- Develop risk profile
- Risk treatment

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

A Risk Appetite Statement that articulates the levels and types of risk the Group is willing to accept in the pursuit of its value or meet its strategic objectives is then developed and adopted. Management reviewed the existence of new risks and evaluated the relevance of the existing risk profile. Any significant risks will be discussed and reported to the Board of Directors on a quarterly basis.

The internal audit forms an integral part of the risk management process and assists the Board to assess that the system of internal controls is in place and relevant for the Group's business. As such, the internal audit function is involved in reviewing the adequacy and operating effectiveness of the internal control processes and risk practices and validating the results of these processes/practices.

The internal audit has proposed to the Audit and Risk Committee an audit plan covering the period from 2027 to 2028 in August 2026 and involving eight (8) auditable areas whose risk impact has been assessed as between medium to high. The internal audit plan was subsequently tabled to and approved by the Audit and Risk Committee. The Audit and Risk Committee reviewed the audit plan on an annual basis, with changes made where required in line with the current developments.

As a matter of practice, the internal auditors engage with our managers and executives to find out about the policies and practices already in place for a selected process, perform tests, determine the adequacy and effectiveness of existing controls, and then present a summary of observations requiring remedial measures together with recommendations for improvement to management for their response. After obtaining management's response, the internal auditors present and report to the Audit and Risk Committee for consideration and deliberation.

Based on the audit report and the responses and opinions given by the Internal Auditors and Management, the Audit and Risk Committee brings pertinent risk management or internal control issues to the Board for further consideration. Where the Internal Auditors' recommendations have not been adopted, the Board then seeks to satisfy itself that the alternative policies or processes adopted are appropriate for strategic or practical reasons specific to the business activity in question, and that there is sufficient oversight over the alternatives used so that risks can be minimised. Where Management agrees to implement the Internal Auditors' recommendations, the Audit and Risk Committee and the Board then seek a timeline for adoption and keep themselves apprised of the progress of the process of adoption.

On the matter of internal control, especially in relation to risks of financial loss arising from fraud, collusion and/or negligence, currently the activities of the Group, except for the payroll function, are controlled and monitored via an enterprise resource planning ("ERP") solution provided by SAP. Payroll processes are automated and controlled via Bossnet Payroll software as a platform to manage payroll transactions such as salary, allowances, EPF, Socso and tax filing. All activities involving the procurement of assets (whether for trade or otherwise) and contracting for services are all documented and recorded according to the protocols of the said ERP, which in most cases involve various duties performed separately and in rigid sequence by several people attached to various departments. The underlying principle at work here is that the party that initiates an order for procurement must not be the one who will receive the items later directly from the suppliers. An independent staff member is tasked to receive such items, acknowledge the receipt and proceed to record the transaction into the system. In addition to that, where practicable, at least one more other party would be inserted between the one who initiated a procurement and the one who would receive the items procured.

Overall, a review of the system of risk management and internal control already in place showed that it is both adequate and effective in managing the business risks faced as well as the risk of fraudulent behaviours. The internal audit function has always been properly instituted and is progressive in keeping up with the developments and changing needs of the Group's business as it grows. The employees, including management, of the Group are subject to the activities of the internal audit function and are aware of the objectives of risk management and the need for the various checks and balances put in place to achieve effective internal control. The Group also has in place a formal code of conduct and whistle-blowing policy, both of which have been widely disseminated to the employees. A summary of the code of conduct and the whistle-blowing policy are posted on Padini's corporate website.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REPORT FROM THE INTERNAL AUDITORS

Our Internal Auditors, Baker Tilly Monterio Heng Governance Sdn Bhd, have carried out and completed the internal audit reviews based on the Internal Audit Plan approved by the Audit and Risk Committee. The results of the internal audit review were satisfactory, having found no major control weaknesses which may pose significant risk exposures to the Group's operations during the financial year under review. The Internal Auditors have also carried out subsequent follow up review on the agreed action plans, which has been commented and agreed by the management to address the relevant findings highlighted in the internal audit reports and noted that most of the agreed action plans have been/are being implemented.

REVIEW OF THE STATEMENT BY STATUTORY AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statutory Auditors have reviewed the Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3 ("AAPG3") *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA").

AAPG 3 does not require the Statutory Auditors to consider whether this Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group including the assessment and opinion by the Board of Directors and management thereon. Based on their procedures performed, the Statutory Auditors have reported to the Board of Directors that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies ("SORMIC Guide 2025") to be set out, nor is SORMIC factually inaccurate.

ANTI-CORRUPTION AND BRIBERY PRACTICES

The Group has put in place the Anti-Corruption and Bribery practices to manage the risk elements in relation to bribery and corruption in the Group.

The Corporate Integrity Pledge and Bribery Policy are published on the Group's website at <https://corporate.padini.com>

CONCLUSION

In the Board of Directors' meeting held on 15 October 2026, the Managing Director and Chief Financial Officer have given the assurance to the Board that the risk management and internal control system currently in place is adequate and effective for the Group.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly dealers in garments, ancillary products, ladies' shoes and accessories as well as provision of management services and electronic commerce. The principal activities and the details of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	112,621	76,109

DIVIDENDS

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

	Company RM'000
In respect of financial year ended 30 June 2026:	
First interim single tier dividend of 1.80 sen per ordinary share, paid on 30 September 2025	17,764
Second interim single tier dividend of 1.80 sen per ordinary share, paid on 26 December 2025	17,764
Third interim single tier dividend of 1.80 sen per ordinary share, paid on 27 March 2026	17,764
Fourth interim single tier dividend of 1.80 sen per ordinary share, paid on 29 June 2026	17,764
Special single tier dividend of 2.00 sen per ordinary share, paid on 29 June 2026	19,736
	90,792

The Directors do not recommend the payment of any final dividend for the financial year ended 30 June 2026.

On 27 August 2026, the Board of Directors declared a first interim single tier dividend of 1.80 sen per ordinary share of approximately RM17,764,000 in respect of the financial year ending 30 June 2027 and was paid to the shareholders on 30 September 2026, whose names appeared on the Record of Depositors of the Company at the close of business on 15 September 2026. The financial statements for the current financial year do not reflect this declared dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the next financial year.

DIRECTORS' REPORT (CONT'D)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

EMPLOYEES' SHARE OPTION SCHEME

On 25 November 2022, the Company established an Employees' Share Option Scheme ("ESOS") for the granting of ESOS to eligible Executive Directors and employees of the Group. The ESOS was implemented on 3 March 2023.

The ESOS is administered by the ESOS Committee and governed by the By-Laws of the ESOS.

The salient features of the ESOS are as follows:

- (a) The total number of new ordinary shares in the Company, which may be made available under the ESOS shall not exceed in aggregate 15% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS;
- (b) The ESOS shall be in force for a duration of five (5) years from the effective date;
- (c) Subject to the discretion of the ESOS Committee, an employee or an Executive Director of the Group who fulfils the relevant conditions of the By-Laws of the ESOS shall be eligible to participate in the ESOS ("Eligible Person");
- (d) The number of the options to be offered to an Eligible Person in accordance with the ESOS shall be determined based on, inter alia, the Eligible Person's position, job performance, job grade, seniority, length of service, fulfilment of the relevant eligibility criteria, and/or such other matters as the ESOS Committee deems fit and the offer shall be valid for acceptance by an Eligible Person for a period of thirty (30) days from the date of offer;
- (e) Subject to any adjustments made under the By-Laws of the ESOS and pursuant to the listing requirements of Bursa Malaysia Securities Berhad, the exercise price shall be determined by the ESOS Committee and shall be based on the five-day ("5-day") volume weighted average market price ("5D-VWAMP") of ordinary shares in the Company ("Padini Shares") immediately preceding the date of offer, with a discount, if any, provided that the discount shall not be more than 10% of the said 5D-VWAMP of Padini Shares;
- (f) Not more than 10% of the total number of ordinary shares in the Company to be issued under the ESOS shall be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (g) Not more than 50% of the total number of ordinary shares in the Company to be issued under the ESOS shall be allocated, in aggregate, to the Executive Directors and senior management of the Group (excluding dormant subsidiaries within the Group) who are Eligible Persons.

There was no ESOS offered to eligible Executive Directors and employees of the Group since its implementation.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Padini Holdings Berhad

Yong Pang Chaun
Datuk Lee Say Tshin
Andrew Yong Tze How
Benjamin Yong Tze Jet
Christopher Yong Tze-Yao
Sung Fong Fui
Ng Chee Hoong
Tan Poh Ling
Tan Shi Wen
Timothy Tan Heng Han

Subsidiaries of Padini Holdings Berhad

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Yong Pang Chaun
Chong Chin Lin
Andrew Yong Tze How
Benjamin Yong Tze Jet
Christopher Yong Tze-Yao
Chew Voon Chyn

In accordance with Article 103(1) of the Company's Constitution, Datuk Lee Say Tshin, Christopher Yong Tze-Yao and Tan Shi Wen retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2026 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.7.2025	Bought	Sold	Balance as at 30.6.2026
Shares in the Company				
<u>Direct interests:</u>				
Yong Pang Chaun	16,442,925	—	—	16,442,925
Andrew Yong Tze How	155,000	45,200	—	200,200
Benjamin Yong Tze Jet	534,950	105,000	—	639,950
Christopher Yong Tze-Yao	210,000	151,600	(303,000)	58,600
<u>Indirect interests:</u>				
Yong Pang Chaun	439,278,370	301,800	(303,000)	439,277,170
Sung Fong Fui	79,000	11,000	—	90,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Yong Pang Chaun is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) 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 other than the remuneration received by certain Directors from subsidiaries as Directors of the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2026 was as follows:

	Group RM'000	Company RM'000
Fees	523	523
Short-term employee benefits	5,805	29
Contributions to defined contribution plans	554	—
	6,882	552

The estimated monetary value of benefits-in-kind provided to the Directors of the Group was RM150,000.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium paid by the Group and the Company for the financial year ended 30 June 2026 was RM15,660.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts inadequate to any material extent or necessitate the making of provision for doubtful debts in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 April 2026, twenty-one (21) bank accounts of the Group, including three (3) bank accounts of the Company, were frozen pursuant to an order issued under Section 44(1) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 by the Malaysian Anti-Corruption Commission ("MACC") in connection with an ongoing investigation.

Subsequently, on 1 May 2026, funds in four (4) of the affected bank accounts of the Group were partially released by MACC.

Subsequent to the end of the reporting period, on 16 July 2026, all the affected bank accounts of the Group and of the Company were unfrozen by MACC. The Company further clarified that no director, officer, employee or representative of the Group had been arrested or charged with any offence arising from the matter, and neither the Group nor any member of the Group had been made the subject of any forfeiture proceedings in connection with the investigation.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2026 was as follows:

	Group RM'000	Company RM'000
Statutory audit		
- BDO PLT	283	60
- Other auditors	66	–
Non-statutory audit		
- BDO PLT	7	7
- Affiliate and member firm of BDO PLT	42	6
	398	73

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

Andrew Yong Tze How
Director

Benjamin Yong Tze Jet
Director

Kuala Lumpur
15 October 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 165 to 224 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Andrew Yong Tze How
Director

Benjamin Yong Tze Jet
Director

Kuala Lumpur
15 October 2026

STATUTORY DECLARATION

I, Sung Fong Fui (CA 22177), being the Director primarily responsible for the financial management of Padini Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 165 to 224 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 at)
Kuala Lumpur this)
15 October 2026)

Sung Fong Fui

Before me

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PADINI HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Padini Holdings Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 165 to 224.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Carrying amount of inventories at lower of cost and net realisable value

As at 30 June 2026, the carrying amount of inventories of the Group was RM310,011,000, which comprised completed garments, shoes and accessories, as disclosed in Note 12 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in writing down inventories to their net realisable values, which involve significant management estimates, which are derived from expectations of current market prices and future demand.

Audit response

Our audit procedures included the following:

- a. obtained an understanding of the procedures and controls in relation to the assessment by the management on the identification and write-down of slow-moving and obsolete inventories;
- b. analysed the inventories turnover period and assessed the appropriateness of the write-down of inventories by the management through verifications to the latest sales invoices for selected samples from inventory ageing;

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

1. *Carrying amount of inventories at lower of cost and net realisable value (Cont'd)*

Audit response (Cont'd)

Our audit procedures included the following: (Cont'd)

- c. performed computer-assisted audit techniques on the lower of cost and net realisable value of inventories;
- d. analysed inventories ageing by brands, seasons or periods prepared by management in determining slow-moving and obsolete inventories, which have been derived from expectations of current market prices and future demand; and
- e. evaluated assessment of management that write-down of inventories were appropriate by verifying actual margins and testing the selling prices of inventories sold from sales invoices subsequent to the end of the reporting period.

2. *Recognition of right-of-use assets and lease liabilities*

As at 30 June 2026, the carrying amounts of right-of-use assets and lease liabilities of the Group were RM660,613,000 and RM704,946,000 respectively, as disclosed in Note 6 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities as well as lease reassessments and modifications. The specific assumptions include the determination of appropriate discount rates, variable lease payments and assessment of lease terms, including renewal and termination options of the leases.

Audit response

Our audit procedures included the following:

- a. obtained an understanding of the design and implementation of key controls pertaining to the recognition of leases;
- b. assessed the appropriateness of the assumptions applied in determining variable lease payments, lease reassessments and modifications based on the lease contracts and relevant inputs;
- c. assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;
- d. assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases; and
- e. verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information.

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

INDEPENDENT AUDITORS' REPORT (CONT'D)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

OTHER MATTERS

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
15 October 2026

Tang Seng Choon
02011/12/2027 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	176,077	159,650	39,701	40,516
Right-of-use assets	6	660,613	664,531	—	—
Intangible assets	7	5,142	3,699	—	—
Investment property	8	3,564	3,974	—	—
Investments in subsidiaries	9	—	—	277,381	277,381
Other investments	10	624	624	560	560
Deferred tax assets	11	15,093	14,490	—	—
		861,113	846,968	317,642	318,457
Current assets					
Inventories	12	310,011	387,184	—	—
Trade and other receivables	13	64,072	60,407	194	187
Amounts due from subsidiaries	14	—	—	74,040	72,858
Current tax assets		964	135	—	—
Restricted bank balances	15	125,230	—	164	—
Cash and cash equivalents	15	689,110	756,506	8,182	23,325
		1,189,387	1,204,232	82,580	96,370
TOTAL ASSETS		2,050,500	2,051,200	400,222	414,827
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	69,563	69,563	69,563	69,563
Reserves	17	1,135,842	1,115,276	329,732	344,415
TOTAL EQUITY		1,205,405	1,184,839	399,295	413,978

STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	583,869	590,708	—	—
Provision for restoration costs	18	10,629	8,185	—	—
Provision for employee benefits	19	50	118	—	—
Deferred tax liabilities	11	1,929	652	—	—
		596,477	599,663	—	—
Current liabilities					
Trade and other payables	20	119,108	137,911	562	535
Contract liabilities	21	901	739	—	—
Lease liabilities	6	121,077	116,124	—	—
Provision for restoration costs	18	1,928	1,425	—	—
Current tax liabilities		5,604	10,499	365	314
		248,618	266,698	927	849
TOTAL LIABILITIES		845,095	866,361	927	849
TOTAL EQUITY AND LIABILITIES		2,050,500	2,051,200	400,222	414,827

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	23	1,875,494	1,937,675	73,450	73,450
Cost of sales	24	(1,141,662)	(1,184,803)	–	–
Gross profit		733,832	752,872	73,450	73,450
Other income		34,152	31,342	6,820	7,764
Selling and distribution costs		(460,077)	(441,340)	–	–
Administrative expenses		(115,752)	(104,472)	(2,474)	(2,449)
Profit from operations		192,155	238,402	77,796	78,765
Finance costs	25	(31,340)	(29,023)	–	–
Profit before tax	26	160,815	209,379	77,796	78,765
Tax expense	28	(48,194)	(54,591)	(1,687)	(1,683)
Profit for the financial year		112,621	154,788	76,109	77,082
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	28(d)	(1,333)	(2,768)	–	–
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of provision for employee benefits	28(d)	70	–	–	–
Total other comprehensive loss, net of tax		(1,263)	(2,768)	–	–
Total comprehensive income		111,358	152,020	76,109	77,082
Earnings per ordinary share (sen)					
- Basic and diluted	30	11.41	15.68		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

Group	Note	[---- Non-distributable ----]		Distributable	
		Share capital RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2024		69,563	7,798	1,033,749	1,111,110
Profit for the financial year		–	–	154,788	154,788
Foreign currency translations, net of tax	28(d)	–	(2,768)	–	(2,768)
Total comprehensive (loss)/income		–	(2,768)	154,788	152,020
Transactions with owners					
Dividends paid	29	–	–	(78,291)	(78,291)
Total transactions with owners		–	–	(78,291)	(78,291)
Balance as at 30 June 2025		69,563	5,030	1,110,246	1,184,839
Profit for the financial year		–	–	112,621	112,621
Foreign currency translations, net of tax	28(d)	–	(1,333)	–	(1,333)
Remeasurement of provision for employee benefits, net of tax	28(d)	–	–	70	70
Total comprehensive (loss)/income		–	(1,333)	112,691	111,358
Transactions with owners					
Dividends paid	29	–	–	(90,792)	(90,792)
Total transactions with owners		–	–	(90,792)	(90,792)
Balance as at 30 June 2026		69,563	3,697	1,132,145	1,205,405

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

Company	Note	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2024		69,563	345,624	415,187
Profit for the financial year		–	77,082	77,082
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	77,082	77,082
Transactions with owners				
Dividends paid	29	–	(78,291)	(78,291)
Total transactions with owners		–	(78,291)	(78,291)
Balance as at 30 June 2025		69,563	344,415	413,978
Profit for the financial year		–	76,109	76,109
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	76,109	76,109
Transactions with owners				
Dividends paid	29	–	(90,792)	(90,792)
Total transactions with owners		–	(90,792)	(90,792)
Balance as at 30 June 2026		69,563	329,732	399,295

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		160,815	209,379	77,796	78,765
Adjustments for:					
Accretion of discount from deposits for leases	26	(853)	(1,151)	—	—
Amortisation of intangible assets	7	1,717	1,648	—	—
Bad debts written off	26	—	—*	—	—
Deposits written off	26	25	—	—	—
Depreciation of property, plant and equipment	5	49,012	34,004	835	834
Depreciation of right-of-use assets	6.1	135,580	127,648	—	—
Dividend income from:					
- subsidiaries	23	—	—	(73,450)	(73,450)
- short term fund	26	(11)	(7)	—	—
Fair value loss on investment property	8	258	459	—	—
Gain on reassessments and modifications of leases	6.1(c)	(1,115)	(2,085)	—	—
Intangible assets written off	26	11	—	—	—
Interest expense	25	31,340	29,023	—	—
Interest income	26	(21,951)	(22,490)	(251)	(823)
Inventory losses	12	4,162	5,115	—	—
Inventories written down/(back), net		5,196	(403)	—	—
Inventories written off	12	3,533	1,928	—	—
Loss/(Gain) on disposals of property, plant and equipment	26	4	(227)	—	—
Property, plant and equipment written off	26	1,543	90	—	—
Provision for employee benefits	19	5	52	—	—
Reversal of provision for restoration costs	18(b)	(3,092)	(3,251)	—	—
Unrealised loss on foreign exchange, net		2,324	7,843	—	—
Operating profit before changes in working capital		368,503	387,575	4,930	5,326
Changes in working capital:					
Inventories		63,842	(106,119)	—	—
Trade and other receivables		(3,807)	8,896	(7)	(23)
Trade and other payables		(18,062)	(13,748)	27	(63)
Contract liabilities		162	155	—	—
Provision for restoration costs		(482)	(986)	—	—
Cash generated from operations		410,156	275,773	4,950	5,240
Tax paid		(53,619)	(48,487)	(1,636)	(1,687)
Tax refunded		340	—	—	—
Net cash from operating activities		356,877	227,286	3,314	3,553

STATEMENT OF CASH FLOWS (CONT'D)

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		—	—	(24)	(36)
Dividends received from:					
- subsidiaries		—	—	—	73,450
- short term fund		11	7	—	—
Interest received		21,951	22,490	251	823
Proceeds from disposals of property, plant and equipment		2	297	—	—
Purchases of:					
- intangible assets	7	(3,174)	(2,104)	—	—
- property, plant and equipment	5	(67,274)	(79,741)	(20)	—
- right-of-use assets	6.1(f)	—	(42)	—	—
Repayments from subsidiaries		—	—	72,292	1,223
Withdrawal of investments in structured product on maturity		—	30,000	—	—
Net cash (used in)/from investing activities		(48,484)	(29,093)	72,499	75,460
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	29	(90,792)	(78,291)	(90,792)	(78,291)
Interest paid		(112)	(187)	—	—
Payments of lease interest	6.2(a)	(30,603)	(28,168)	—	—
Payments of lease liabilities	6.2(a)	(125,569)	(117,638)	—	—
Net cash used in financing activities		(247,076)	(224,284)	(90,792)	(78,291)
Net increase/(decrease) in cash and cash equivalents		61,317	(26,091)	(14,979)	722
Effects of restriction on bank balances		(125,230)	—	(164)	—
Effects of exchange rate changes on cash and cash equivalents		(3,483)	(8,443)	—	—
Cash and cash equivalents at beginning of financial year		756,506	791,040	23,325	22,603
Cash and cash equivalents at end of financial year	15	689,110	756,506	8,182	23,325

* Less than RM1,000.

STATEMENT OF CASH FLOWS (CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM'000
At 1 July 2025	706,832
Cash flows:	
- Payments of lease interest	(30,603)
- Payments of lease liabilities	(125,569)
Non-cash flows:	
- Additions	64,311
- Interest expense	30,603
- Lease reassessments and modifications	60,127
- Foreign exchange differences	(755)
At 30 June 2026	704,946
At 1 July 2024	550,419
Cash flows:	
- Payments of lease interest	(28,168)
- Payments of lease liabilities	(117,638)
Non-cash flows:	
- Additions	204,795
- Interest expense	28,168
- Lease reassessments and modifications	71,199
- Foreign exchange differences	(1,943)
At 30 June 2025	706,832

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

1. CORPORATE INFORMATION

Padini Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 3rd Floor, No. 17, Jalan Ipoh Kecil, 50350 Kuala Lumpur.

The principal place of business of the Company is located at No. 19, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 30 June 2026 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All the financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 15 October 2026.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly dealers in garments, ancillary products, ladies' shoes and accessories as well as provision of management services and electronic commerce. The principal activities and the details of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of Amendments to MFRS during the financial year. The Amendments to MFRS adopted during the financial year are disclosed in Note 33.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the retailing of garments industry.

The Group has arrived at three (3) reportable segments, as described below, which are the strategic business units of the Group. For management purposes, the Group is organised into business units based on their products and services. For each of the strategic business units, the Managing Director and Executive Directors of the Group collectively (the "Chief Operating Decision Maker" or "CODM") of the Group review internal management reports at least on a quarterly basis.

(i) Investment holding

Holding of investments in shares of the subsidiaries.

(ii) Apparels and footwear

Promoting and marketing of fashionable apparels, footwear and accessories.

(iii) Management service

Provision of management services.

Other non-reportable segments comprise operation related to investment property holding.

The performance of the reportable segments is measured based on segment profit before tax.

The accounting policies of operating segments are the same as those described in the financial statements.

Inter-segment revenue is priced along the same line as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one (1) year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

2026	Investment holding RM'000	Apparels and footwear RM'000	Management service RM'000	Others RM'000	Elimination/ Adjustments RM'000	Total RM'000
Revenue						
Total revenue	73,450	1,883,355	135,223	—	—	2,092,028
Inter-segment revenue	(73,450)	(7,861)	(135,223)	—	—	(216,534)
Revenue from external customers	—	1,875,494	—	—	—	1,875,494
Interest income	251	18,487	3,308	3	(98)	21,951
Finance costs	—	(31,040)	(16,616)	(1)	16,317	(31,340)
Net finance income/(expense)	251	(12,553)	(13,308)	2	16,219	(9,389)
Amortisation of intangible assets	—	(62)	(1,655)	—	—	(1,717)
Depreciation of property, plant and equipment	(835)	(42,863)	(5,256)	(295)	237	(49,012)
Depreciation of right-of-use assets	—	(130,827)	(4,722)	(31)	—	(135,580)
Segment profit before tax	77,796	139,240	16,908	92	(73,221)	160,815
Income tax expense	(1,687)	(42,267)	(4,230)	(14)	4	(48,194)
Other material non-cash items:						
- Fair value loss on investment property	—	—	—	(258)	—	(258)
- Gain on reassessments and modifications of leases	—	1,137	(22)	—	—	1,115
- Inventory losses	—	(4,162)	—	—	—	(4,162)
- Inventories written down, net	—	(5,196)	—	—	—	(5,196)
- Inventories written off	—	(3,533)	—	—	—	(3,533)
- Property, plant and equipment written off	—	(1,479)	(63)	(1)	—	(1,543)
- Reversal of provision for restoration costs	—	3,092	—	—	—	3,092
- Unrealised (loss)/gain on foreign exchange, net	—	(2,377)	43	10	—	(2,324)
Additions to non-current assets other than financial instruments and deferred tax assets	20	125,320	15,606	26	(72)	140,900
Segment assets	400,222	1,891,159	528,836	29,284	(799,001)	2,050,500
Segment liabilities	927	901,082	438,631	67	(495,612)	845,095

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

2025	Investment holding RM'000	Apparels and footwear RM'000	Management service RM'000	Others RM'000	Elimination/ Adjustments RM'000	Total RM'000
Revenue						
Total revenue	73,450	1,947,011	152,190	—	—	2,172,651
Inter-segment revenue	(73,450)	(9,336)	(152,190)	—	—	(234,976)
Revenue from external customers	—	1,937,675	—	—	—	1,937,675
Interest income	823	16,511	5,489	12	(345)	22,490
Finance costs	—	(28,716)	(15,336)	(3)	15,032	(29,023)
Net finance income/(expense)	823	(12,205)	(9,847)	9	14,687	(6,533)
Amortisation of intangible assets	—	(51)	(1,597)	—	—	(1,648)
Depreciation of property, plant and equipment	(834)	(30,132)	(2,956)	(319)	237	(34,004)
Depreciation of right-of-use assets	—	(123,131)	(4,478)	(39)	—	(127,648)
Segment profit/(loss) before tax	78,765	188,166	16,339	(672)	(73,219)	209,379
Income tax expense	(1,683)	(49,809)	(3,091)	(12)	4	(54,591)
Other material non-cash items:						
- Fair value loss on investment property	—	—	—	(459)	—	(459)
- Gain on reassessments and modifications of leases	—	2,087	(2)	—	—	2,085
- Inventory losses	—	(5,115)	—	—	—	(5,115)
- Inventories written back, net	—	403	—	—	—	403
- Inventories written off	—	(1,928)	—	—	—	(1,928)
- Property, plant and equipment written off	—	(60)	(30)	—	—	(90)
- Reversal of provision for restoration costs	—	3,251	—	—	—	3,251
- Unrealised loss on foreign exchange, net	—	(7,838)	(5)	—	—	(7,843)
Additions to non-current assets other than financial instruments and deferred tax assets	—	274,163	17,786	2	(5)	291,946
Segment assets	414,827	1,884,493	532,953	29,730	(810,803)	2,051,200
Segment liabilities	849	920,762	451,834	89	(507,173)	866,361

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

Geographical segments

In presenting on the basis of geographical areas, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets of the Group.

	Revenue		Non-current assets*	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Malaysia	1,834,104	1,878,823	830,153	801,779
Asia (excluding Malaysia)	41,390	58,852	15,243	30,075
	1,875,494	1,937,675	845,396	831,854

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

* The amounts of non-current assets do not include other investments and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Furniture and fixtures RM'000	Motor vehicles RM'000	Office equipment and tools RM'000	Capital work-in-progress RM'000	Total RM'000
At cost								
Balance as at 1 July 2025	12,240	42,861	8,046	205,617	1,873	142,435	5,000	418,072
Additions	—	—	—	29,679	11	37,584	—	67,274
Disposals	—	—	—	—	—	(16)	—	(16)
Written off	—	—	(13)	(24,844)	(12)	(12,703)	—	(37,572)
Reclassifications	3,600	1,400	—	—	—	—	(5,000)	—
Foreign exchange differences	—	—	(314)	(552)	—	(354)	—	(1,220)
Balance as at 30 June 2026	15,840	44,261	7,719	209,900	1,872	166,946	—	446,538
Accumulated depreciation								
Balance as at 1 July 2025	—	14,165	3,954	146,356	1,221	92,726	—	258,422
Charge for the financial year	—	883	289	29,596	165	18,079	—	49,012
Disposals	—	—	—	—	—	(10)	—	(10)
Written off	—	—	(13)	(24,471)	(12)	(11,533)	—	(36,029)
Foreign exchange differences	—	—	(158)	(490)	—	(286)	—	(934)
Balance as at 30 June 2026	—	15,048	4,072	150,991	1,374	98,976	—	270,461
Carrying amount								
Balance as at 30 June 2026	15,840	29,213	3,647	58,909	498	67,970	—	176,077

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Furniture and fixtures RM'000	Motor vehicles RM'000	Office equipment and tools RM'000	Capital work-in-progress RM'000	Total RM'000
At cost								
Balance as at 1 July 2024	12,240	42,861	9,031	188,446	2,448	124,710	—	379,736
Additions	—	—	—	43,853	99	30,789	5,000	79,741
Disposals	—	—	—	(8)	(794)	(3)	—	(805)
Written off	—	—	—	(25,410)	—	(12,185)	—	(37,595)
Reclassification*	—	—	—	—	120	—	—	120
Foreign exchange differences	—	—	(985)	(1,264)	—	(876)	—	(3,125)
Balance as at 30 June 2025	12,240	42,861	8,046	205,617	1,873	142,435	5,000	418,072
Accumulated depreciation								
Balance as at 1 July 2024	—	13,307	4,104	151,806	1,633	93,797	—	264,647
Charge for the financial year	—	858	313	20,935	197	11,701	—	34,004
Disposals	—	—	—	(8)	(725)	(2)	—	(735)
Written off	—	—	—	(25,395)	—	(12,110)	—	(37,505)
Reclassification*	—	—	—	—	116	—	—	116
Foreign exchange differences	—	—	(463)	(982)	—	(660)	—	(2,105)
Balance as at 30 June 2025	—	14,165	3,954	146,356	1,221	92,726	—	258,422
Carrying amount								
Balance as at 30 June 2025	12,240	28,696	4,092	59,261	652	49,709	5,000	159,650

* The asset previously acquired under hire purchase arrangement was reclassified from right-of-use asset as the lease liability for this asset was fully settled in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM'000	Buildings on freehold land RM'000	Furniture and fixtures RM'000	Office equipment and tools RM'000	Total RM'000
At cost					
Balance as at 1 July 2025	12,240	41,696	3,445	4,699	62,080
Additions	—	—	—	20	20
Written off	—	—	—	(12)	(12)
Balance as at 30 June 2026	12,240	41,696	3,445	4,707	62,088
Accumulated depreciation					
Balance as at 1 July 2025	—	13,420	3,445	4,699	21,564
Charge for the financial year	—	834	—	1	835
Written off	—	—	—	(12)	(12)
Balance as at 30 June 2026	—	14,254	3,445	4,688	22,387
Carrying amount					
Balance as at 30 June 2026	12,240	27,442	—	19	39,701
At cost					
Balance as at 1 July 2024 /30 June 2025	12,240	41,696	3,445	4,699	62,080
Accumulated depreciation					
Balance as at 1 July 2024	—	12,586	3,445	4,699	20,730
Charge for the financial year	—	834	—	—	834
Balance as at 30 June 2025	—	13,420	3,445	4,699	21,564
Carrying amount					
Balance as at 30 June 2025	12,240	28,276	—	—	40,516

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal depreciation periods are as follows:

Buildings on freehold land	50 years
Buildings on leasehold land	25 years
Furniture and fixtures	3 - 5 years
Motor vehicles	5 years
Office equipment and tools	4 - 5 years

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress is not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

6.1 Right-of-use assets

Group	Balance as at 1 July 2025 RM'000	Additions RM'000	Depreciation RM'000	Lease reassessments and modifications RM'000	Foreign exchange differences RM'000	Balance as at 30 June 2026 RM'000
Carrying amount	646,924	64,320	(128,232)	62,229	(623)	644,618
Retail shop, signage and storage spaces	261	173	(190)	283	—	527
Hostels	1,699	—	(485)	—	—	1,214
Motor vehicles	580	26	(567)	(12)	(1)	26
Office equipment	4,944	5,933	(3,069)	(656)	(10)	7,142
Renovation cost	10,123	—	(3,037)	—	—	7,086
Tools and equipment						
	664,531	70,452	(135,580)	61,844	(634)	660,613
Group						
Carrying amount	489,439	205,632	(120,913)	74,376	(1,610)	646,924
Retail shop, signage and storage spaces	101	273	(59)	(54)	—	261
Hostels	1,820	316	(433)	—	—	1,699
Motor vehicles	1,580	—	(1,110)	110	—	580
Office equipment	3,718	3,880	(2,096)	(542)	(16)	4,944
Renovation cost	13,160	—	(3,037)	—	—	10,123
Tools and equipment						
	509,818	210,101	(127,648)	73,890	(1,626)	664,531

* The asset previously acquired under hire purchase arrangement was reclassified to property, plant and equipment as the lease liability for this asset was fully settled in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

6.1 Right-of-use assets (Cont'd)

- (a) The right-of-use assets represent non-cancellable operating lease agreements entered into by the Group for the use of retail shop, signage and storage spaces, hostels, office equipment and other assets, which are acquired under hire purchase agreements.

The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Retail shop, signage and storage spaces	1 - 18 years
Hostels	2 - 4 years (2025: 2 years)
Motor vehicles	5 years
Office equipment	2 - 8 years (2025: 2 - 6 years)
Renovation cost	1 - 18 years
Tools and equipment	5 years

- (b) The Group has certain leases of retail shop, signage and storage spaces and hostels with lease terms of twelve (12) months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

- (c) The following are amounts recognised in profit or loss:

	Group	
	2026 RM'000	2025 RM'000
Depreciation charge of right-of-use assets (included in administrative expenses)	3,553	3,509
Depreciation charge of right-of-use assets (included in selling and distribution costs)	132,027	124,139
Interest expense on lease liabilities (included in finance costs)	30,603	28,168
Expense relating to short-term leases (included in administrative expenses)	8	9
Expense relating to short-term leases (included in selling and distribution costs)	755	1,036
Expense relating to leases of low-value assets (included in administrative expenses)	—	1
Expense relating to leases of low-value assets (included in selling and distribution costs)	294	244
Gain on reassessments and modifications of leases (included in other income)	(1,115)	(2,085)
Variable lease payments:		
- others (included in administrative expenses)	122	83
- others (included in selling and distribution costs)	29,617	37,376
	195,864	192,480

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

6.1 Right-of-use assets (Cont'd)

- (d) The following are total cash outflows for leases of the Group as a lessee:

	Group	
	2026 RM'000	2025 RM'000
Included in net cash from operating activities:		
Payments relating to short-term leases	763	1,045
Payments relating to leases of low-value assets	294	245
Payments relating to variable lease payments not included in the measurement of lease liabilities	29,739	37,459
	30,796	38,749
Included in net cash used in financing activities:		
Payments of lease interest	30,603	28,168
Payments of lease liabilities	125,569	117,638
	156,172	145,806
	186,968	184,555

- (e) Certain lease rentals are subject to variable lease payments, which are determined based on a percentage of sales generated from outlets.

The Group has entered into tenancy agreements for the lease of retail shop, signage and storage spaces, which contain variable lease payments based on predetermined revenue thresholds. The Group has determined that these contingent features are not embedded derivatives to be separately accounted for due to the economic characteristics and risk of these contingent rental features are closely related to the economic characteristics and risk of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

- (f) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2026 RM'000	2025 RM'000
Additions of right-of-use assets	70,452	210,101
Additions via lease liabilities	(64,311)	(204,795)
Excess of the transaction price over the fair value of deposits for leases capitalised	(208)	(1,384)
Provision for restoration costs capitalised (Note 18)	(5,933)	(3,880)
Cash payments on purchase of right-of-use assets	—	42

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

6.2 Lease liabilities

	Group	
	2026 RM'000	2025 RM'000
Represented by:		
Current liabilities	121,077	116,124
Non-current liabilities	583,869	590,708
	704,946	706,832
Lease liabilities owing to financial institutions	3,939	9,016
Lease liabilities owing to non-financial institutions	701,007	697,816
	704,946	706,832

(a) The movements of lease liabilities during the financial year are as follows:

	Group	
	2026 RM'000	2025 RM'000
Balance as at 1 July	706,832	550,419
Additions	64,311	204,795
Interest expense	30,603	28,168
Lease reassessments and modifications	60,127	71,199
Payments of lease liabilities	(125,569)	(117,638)
Payments of lease interest	(30,603)	(28,168)
Foreign exchange differences	(755)	(1,943)
Balance as at 30 June	704,946	706,832

- (b) The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant option. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amount of the lease liabilities of the Group.
- (c) The Group has lease contracts that include extension and termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the business needs of the Group.
- (d) There is no undiscounted potential future rental payment that is not included in the lease term of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

6.2 Lease liabilities (Cont'd)

- (e) The possibility for the Group to exercise the termination options is unlikely after taking into consideration of relevant facts and circumstances including past experience, cost and economic incentive that will be involved to exercise the termination options.
- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group:

Group	Weighted average incremental borrowing rate per annum %	Within one (1) year RM'000	One (1) to two (2) years RM'000	Two (2) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
30 June 2026						
Lease liabilities	3.50 - 9.51	121,077	108,400	286,971	188,498	704,946
30 June 2025						
Lease liabilities	3.50 - 9.51	116,124	106,578	269,067	215,063	706,832

- (g) Management exercises significant judgement in determining the incremental borrowing rate whenever the implicit rate of interest in a lease is not readily determinable as well as the lease term. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar values as the right-of-use assets in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.
- (h) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
30 June 2026				
Lease liabilities	147,470	456,854	202,593	806,917
30 June 2025				
Lease liabilities	143,705	442,139	232,829	818,673

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessor

The Group has entered into non-cancellable lease agreements on an investment property for terms of one (1) to two (2) years (2025: one (1) to two (2) years).

The Group has aggregate future minimum lease receivable as at the end of the reporting period as follows:

	Group	
	2026	2025
	RM'000	RM'000
Less than one (1) year	210	189
One (1) to two (2) years	93	10
	303	199

7. INTANGIBLE ASSETS

Group	System, applications and products RM'000	Computer software RM'000	Total RM'000
At cost			
Balance as at 1 July 2025	7,030	15,676	22,706
Additions	—	3,174	3,174
Written off	—	(145)	(145)
Foreign exchange differences	—	(32)	(32)
Balance as at 30 June 2026	7,030	18,673	25,703
Accumulated amortisation			
Balance as at 1 July 2025	7,030	11,977	19,007
Charge for the financial year	—	1,717	1,717
Written off	—	(134)	(134)
Foreign exchange differences	—	(29)	(29)
Balance as at 30 June 2026	7,030	13,531	20,561
Carrying amount			
Balance as at 30 June 2026	—	5,142	5,142

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INTANGIBLE ASSETS (CONT'D)

Group	System, applications and products RM'000	Computer software RM'000	Total RM'000
At cost			
Balance as at 1 July 2024	7,030	13,714	20,744
Additions	—	2,104	2,104
Written off	—	(102)	(102)
Foreign exchange differences	—	(40)	(40)
Balance as at 30 June 2025	7,030	15,676	22,706
Accumulated amortisation			
Balance as at 1 July 2024	6,603	10,895	17,498
Charge for the financial year	427	1,221	1,648
Written off	—	(102)	(102)
Foreign exchange differences	—	(37)	(37)
Balance as at 30 June 2025	7,030	11,977	19,007
Carrying amount			
Balance as at 30 June 2025	—	3,699	3,699

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

System, applications and products ("SAP") and computer software that do not form an integral part of the related hardware are treated as intangible assets with finite lives and are amortised over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal amortisation periods are as follows:

SAP	15 years
Computer software	5 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT PROPERTY

	2026 RM'000	Group 2025 RM'000
At valuation		
Balance as at 1 July	3,974	4,951
Fair value loss	(258)	(459)
Foreign exchange differences	(152)	(518)
Balance as at 30 June	3,564	3,974

- (a) Investment property is initially measured at cost, including transaction costs. After initial recognition, investment property is measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss.
- (b) Rental income generated from the rental of investment property of the Group during the financial year amounted to RM192,000 (2025: RM225,000).
- (c) Direct operating expenses arising from the investment property generating rental income during the financial year are as follows:

	2026 RM'000	Group 2025 RM'000
Repairs and maintenance	30	29
Quit rent and assessment	11	13

- (d) The fair value of investment property of the Group is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2026				
Investment property	–	–	3,564	3,564
30 June 2025				
Investment property	–	–	3,974	3,974

- (i) There was no transfer between levels in the hierarchy during the financial year.
- (ii) The Level 3 fair value of investment property is RM3,564,000 or equivalent to HKD6,870,000 (2025: RM3,974,000 or equivalent to HKD7,360,000). The Level 3 fair value of investment property is determined by an external and independent property valuer, who is a member of The Hong Kong Institute of Surveyors. The property valuer provides the fair value of the investment property of the Group annually. Changes in Level 3 fair value are analysed by the management annually after obtaining the valuation report from the property valuer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT PROPERTY (CONT'D)

- (e) The following table shows the valuation technique and significant unobservable inputs used in determining the fair value measurement of investment property as well as the inter-relationship between key unobservable inputs and fair value:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Income capitalisation method	Capitalisation rate of 4.7% (2025: 4.6%)	The higher the capitalisation rate, the lower the fair value.
	Market rent per square foot of HKD17 or equivalent to RM9 (2025: HKD18 or equivalent to RM10)	The higher the market rent, the higher the fair value.

- (f) Investment property of the Group is mainly used to generate rental income. However, the fair value of the investment property reflects the highest and best use of the said property should the investment property be disposed. Currently, management does not intend to dispose of the investment property and the existing use of the investment property remains for rental purposes.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2026 RM'000	2025 RM'000
At cost:		
- Unquoted shares	278,336	278,336
Less: Impairment losses	(955)	(955)
	277,381	277,381

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses.

- (b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2026 %	2025 %	
Mikihouse Children's Wear Sdn. Bhd. ("Mikihouse")	Malaysia	100	100	Dealers of children's garments and accessories
Padini (Cambodia) Co., Ltd. ("Padini Cambodia")#	Cambodia	100	100	Dealers of ladies' shoes, garments and ancillary products

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2026 %	2025 %	
Padini (Thailand) Co., Ltd. ("Padini Thailand")#	Thailand	100	100	Dealers of ladies' shoes, garments and ancillary products
Padini Corporation Sdn. Bhd. ("Padini Corporation")	Malaysia	100	100	Dealers of garments and ancillary products
Padini Dot Com Sdn. Bhd. ("Padini Dot Com")	Malaysia	100	100	Provision of management services and electronic commerce
Padini International Limited ("PIL")#	Hong Kong	100	100	Dealers of ladies' shoes and ancillary products
Seed Corporation Sdn. Bhd. ("Seed")	Malaysia	100	100	Dealers of garments and ancillary products
The New World Garment Manufacturers Sdn. Bhd. ("The New World Garment")	Malaysia	100	100	Dormant
Vincci Holdings Sdn. Bhd. ("Vincci Holdings")	Malaysia	100	100	Dormant
Vincci Ladies' Specialties Centre Sdn. Bhd. ("Vincci")	Malaysia	100	100	Dealers of ladies' shoes and accessories
Yee Fong Hung (Malaysia) Sendirian Berhad ("Yee Fong Hung")	Malaysia	100	100	Dealers of garments and ancillary products
<i>Subsidiary of PIL</i>				
Padini (Thailand) Co., Ltd. ("Padini Thailand")# ^	Thailand	82.2	82.2	Dealers of ladies' shoes, garments and ancillary

Subsidiaries not audited by BDO PLT or BDO Member Firms.

^ The remaining 13.4% and 4.4% shareholdings are held by the Company and Padini Dot Com respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. OTHER INVESTMENTS

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Non-current				
Equity security				
- Unquoted shares in Malaysia	560	560	560	560
Club membership	64	64	—	—
	624	624	560	560

- (a) The equity security is classified as financial asset at fair value through other comprehensive income while the club membership is classified as financial asset at fair value through profit or loss.
- (b) The fair value of unquoted shares in Malaysia is estimated based on the price to book valuation model. Management obtained the industry price to book ratio from observable market data, discounted the price to book ratio for illiquidity, and multiplied the discounted price to book ratio with the book value per share of the investee to derive the estimated fair value. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate as at the end of the reporting period.

The fair value of club membership is determined by reference to the prevailing offer price of the club membership price.

- (c) The fair values of other investments of the Group and of the Company are categorised as follows:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Group				
30 June 2026				
Other investments				
- Unquoted shares in Malaysia	—	—	560	560
- Club membership	—	—	64	64
30 June 2025				
Other investments				
- Unquoted shares in Malaysia	—	—	560	560
- Club membership	—	—	64	64

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. OTHER INVESTMENTS (CONT'D)

- (c) The fair values of other investments of the Group and of the Company are categorised as follows:
(Cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
30 June 2026				
Other investment				
- Unquoted shares in Malaysia	—	—	560	560
30 June 2025				
Other investment				
- Unquoted shares in Malaysia	—	—	560	560

There was no transfer between levels in the hierarchy during the financial year.

- (d) The following table shows the significant unobservable inputs used in determining the fair value measurements of other investments as well as the inter-relationship between key unobservable inputs and fair values:

Financial instrument	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
Unquoted shares in Malaysia	Discounted industry price to book ratio (2026: 0.25; 2025: 0.26)	The higher the price to book ratio, the higher the fair value of the unquoted shares would be.
Club membership	Counterparty quotation	The higher the counterparty quotation, the higher the fair value of the club membership would be.

- (e) Sensitivity analysis of market price risk for other investments is not disclosed as it is not material to the Group and the Company.
- (f) The Group holds a forty percent (40%) interest in Cassardi Corporation Sdn. Bhd. ("Cassardi") for which the Group has determined that it does not have significant influence over Cassardi as:
- (i) The Group does not have any representative on the board of directors of Cassardi, and is therefore unable to participate in the policy-making process of Cassardi;
 - (ii) There are no material transactions between the Group and Cassardi; and
 - (iii) There is no interchange of managerial personnel and provision of essential technical information between the Group and Cassardi.

Based on the above, the Group considers that it does not have the power to exercise significant influence and has treated its interest in Cassardi as a simple investment in unquoted shares in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEFERRED TAX

- (a) Deferred tax assets and liabilities are made up of the following:

	2026	Group
	RM'000	2025
		RM'000
Balance as at 1 July	13,838	12,123
Recognised in profit or loss (Note 28)	(635)	1,841
Foreign exchange differences	(39)	(126)
Balance as at 30 June	13,164	13,838
Presented after appropriate offsetting:		
Deferred tax assets, net	15,093	14,490
Deferred tax liabilities, net	(1,929)	(652)
	13,164	13,838

- (b) The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax assets of the Group

	Contract	Lease	Other	Total
	liabilities	liabilities	deductible	RM'000
	RM'000	RM'000	temporary	
			differences	
			RM'000	
Balance as at 1 July 2025	177	12,799	2,945	15,921
Recognised in profit or loss	39	1,489	(1,125)	403
Foreign exchange differences	–	(23)	(4)	(27)
Balance as at 30 June 2026, prior to offsetting	216	14,265	1,816	16,297
Offsetting				(1,204)
Balance as at 30 June 2026				15,093
Balance as at 1 July 2024	140	11,510	1,649	13,299
Recognised in profit or loss	37	1,356	1,307	2,700
Foreign exchange differences	–	(67)	(11)	(78)
Balance as at 30 June 2025, prior to offsetting	177	12,799	2,945	15,921
Offsetting				(1,431)
Balance as at 30 June 2025				14,490

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEFERRED TAX (CONT'D)

- (b) The components and movements of deferred tax assets and liabilities during the financial year are as follows: (Cont'd)

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Other taxable temporary differences RM'000	Total RM'000
Balance as at 1 July 2025	(2,075)	(8)	(2,083)
Recognised in profit or loss	(1,046)	8	(1,038)
Foreign exchange differences	(12)	—	(12)
Balance as at 30 June 2026, prior to offsetting	(3,133)	—	(3,133)
Offsetting			1,204
Balance as at 30 June 2026			(1,929)
Balance as at 1 July 2024	(1,052)	(124)	(1,176)
Recognised in profit or loss	(997)	138	(859)
Foreign exchange differences	(26)	(22)	(48)
Balance as at 30 June 2025, prior to offsetting	(2,075)	(8)	(2,083)
Offsetting			1,431
Balance as at 30 June 2025			(652)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2026 RM'000	2025 RM'000
Unused tax losses:		
- No expiry date	8,858	10,137
- Expiring by 30 June 2025	—	1,969
- Expiring by 30 June 2026	2,852	2,905
- Expiring by 30 June 2027	2,716	2,767
- Expiring by 30 June 2028	6,081	6,103
- Expiring by 30 June 2029	367	374
- Expiring by 30 June 2030	227	231
- Expiring by 30 June 2031	342	—
Unabsorbed capital allowances	1,484	924
	22,927	25,410

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEFERRED TAX (CONT'D)

(c) (Cont'd)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local and foreign tax authorities. Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board ("IRB").

Unabsorbed capital allowances do not expire under the tax legislation of IRB.

12. INVENTORIES

	Group 2026 RM'000	2025 RM'000
At cost		
Completed garments, shoes and accessories	297,933	384,660
At net realisable value		
Completed garments, shoes and accessories	12,078	2,524
	310,011	387,184

- (a) Inventories are stated at the lower of cost and net realisable value. Cost of inventories of the Group is determined using the weighted average method.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM1,115,178,000 (2025: RM1,160,994,000). The amounts of inventory losses, inventories written back, inventories written down and inventories written off recognised as cost of sales during the financial year are as follows:

	Group 2026 RM'000	2025 RM'000
Inventory losses	4,162	5,115
Inventories written back	(1,530)	(1,933)
Inventories written down	6,726	1,530
Inventories written off	3,533	1,928
	12,891	6,640

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INVENTORIES (CONT'D)

- (c) Inventories are written down to net realisable value when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management exercises significant judgements and makes significant estimates in writing down inventories to their net realisable values, which involve management specifically analyses future demand, coupled with the assessment of the estimated net selling prices of the inventories to evaluate the adequacy of the write-down for obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.
- (d) During the financial year, the Group wrote back RM1,530,000 (2025: RM1,933,000) in respect of inventories written down in the previous financial year that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade receivables				
Third parties	5,722	7,198	—	—
Other receivables				
Third parties	437	509	—*	—*
Deposits	27,797	27,149	71	71
	28,234	27,658	71	71
Total receivables	33,956	34,856	71	71
Prepayments	30,116	25,551	123	116
	64,072	60,407	194	187

* Less than RM1,000.

- (a) Trade and other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 2 to 60 days (2025: 2 to 60 days) from the date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Included in deposits of the Group are security and utility deposits on leases of RM21,745,000 (2025: RM21,459,000), which are amortised through accretion of discount at annual rates of 3.50% to 9.51% (2025: 3.50% to 9.51%) over the lease terms.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (d) Impairment for trade receivables that do not contain a significant financing component is recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses a provision matrix to measure the expected credit losses of trade receivables using the flow rate method based on grouping of customers sharing similar credit risk characteristics, historical credit loss experience and observable data such as current changes and future forecasts in economic conditions.

During this process, the probability of non-payment by trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit losses for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group has identified the Gross Domestic Product ("GDP"), unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward-looking information.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

No expected credit loss is recognised arising from trade receivables as it is negligible.

- (e) Lifetime expected loss provision for trade receivables of the Group is as follows:

Group	Gross carrying amount RM'000	Lifetime expected credit losses RM'000	Net carrying amount RM'000
30 June 2026			
Collective assessment			
Not past due	5,142	—*	5,142
Past due			
1 to 30 days	12	—*	12
31 to 60 days	—^	—*	—^
61 to 90 days	1	—*	1
More than 90 days	567	—*	567
	580	—*	580
	5,722	—*	5,722

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Lifetime expected loss provision for trade receivables of the Group is as follows: (Cont'd)

Group	Gross carrying amount RM'000	Lifetime expected credit losses RM'000	Net carrying amount RM'000
30 June 2025			
Collective assessment			
Not past due	6,463	—*	6,463
Past due			
1 to 30 days	614	—*	614
31 to 60 days	8	—*	8
61 to 90 days	6	—*	6
More than 90 days	107	—*	107
	735	—*	735
	7,198	—*	7,198

^ Less than RM1,000.

* The effects of expected credit losses are negligible.

The collective assessment of impairment of trade receivables shares similar credit risk characteristics, industries and geographical location. The individual assessment of impairment of trade receivables is separately assessed when it is probable that cash due will not be received in full.

(f) The credit risk exposures relating to trade receivables of the Group at the end of the reporting period are summarised as follows:

	Group	
	2026 RM'000	2025 RM'000
Maximum exposure	5,722	7,198
Collateral obtained	—	(7)
Net exposure to credit risk	5,722	7,191

In the previous financial year, collateral obtained represented downpayments received from customers for the sale of goods.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (g) Impairment for other receivables and amounts due from subsidiaries is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ("12-month") expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

The Group and the Company defined significant increase in credit risk based on the operating performance of the receivables, payment trends and past due information, i.e. overdue amounts more than 120 days.

The probability of non-payment by other receivables and amounts due from subsidiaries is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and amounts due from subsidiaries.

The Group and the Company have identified the GDP, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward-looking information.

It requires management to exercise judgement in determining the probability of default by other receivables and amounts due from subsidiaries, appropriate forward-looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables as it is negligible.

- (h) The currency exposure profile of trade and other receivables excluding prepayments is as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	30,606	30,102	71	71
Chinese Renminbi	8	98	—	—
Hong Kong Dollar	20	21	—	—
Singapore Dollar	—	81	—	—
Thailand Baht	1,219	1,177	—	—
United States Dollar	2,103	3,377	—	—
	33,956	34,856	71	71

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) (Cont'd)

Sensitivity analysis of RM against major foreign currencies at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group			
	2026		2025	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 5% changes to RM against foreign currencies				
United States Dollar				
- strengthen by 5%	80	—	128	—
- weaken by 5%	(80)	—	(128)	—
Thailand Baht				
- strengthen by 5%	46	—	45	—
- weaken by 5%	(46)	—	(45)	—

The exposure to foreign currency risk of other currencies is not presented as changes in exchange rates would not materially affect profit after tax and equity of the Group.

- (i) At the end of the reporting period, approximately eighty-five percent (85%) (2025: eighty-five percent (85%)) of the trade receivables of the Group were owed by five (5) major customers (2025: five (5) customers).

14. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2026 RM'000	2025 RM'000
Amounts due from subsidiaries	74,040	72,858

- (a) Amounts due from subsidiaries are classified as financial assets measured at amortised cost.
- (b) Amounts due from subsidiaries mainly represent dividends receivable, advances and payments made on behalf, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents. Included in the amounts due from subsidiaries are dividends receivable of RM73,450,000 in respect of the financial year ended 30 June 2026.
- (c) Impairment for amounts due from subsidiaries is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 13(g) to the financial statements.

No expected credit loss is recognised arising from amounts due from subsidiaries as it is negligible.

- (d) Amounts due from subsidiaries are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash at banks and on hand	775,687	719,100	8,346	23,325
Fixed deposits with licensed banks	12,306	11,892	—	—
Short term fund	26,347	25,514	—	—
	814,340	756,506	8,346	23,325
Less: Restricted bank balances	(125,230)	—	(164)	—
	689,110	756,506	8,182	23,325

- (a) Cash at banks and on hand and fixed deposits with licensed banks are classified as financial assets measured at amortised cost. Short term fund is classified as financial asset at fair value through profit or loss pursuant to MFRS 9 Financial Instruments.
- (b) Fixed deposits with licensed banks of the Group have a maturity period of 90 days (2025: 90 days), with interest at a rate of 3.40% (2025: 3.60%) per annum.
- (c) Short term fund of the Group represents investment in highly liquid money market instrument, which is readily convertible to a known amount of cash and is subject to an insignificant risk of change in value.
- (d) During the financial year, twenty-one (21) bank accounts of the Group with an aggregate amount of RM125,230,000 (2025: Nil), including three (3) bank accounts of the Company with an aggregate amount of RM164,000 (2025: Nil), were frozen pursuant to an order issued by the Malaysian Anti-Corruption Commission ("MACC"). Accordingly, these amounts were classified as restricted bank balances at the end of the reporting period. Subsequent to the end of the reporting period, all the affected bank account, of the Group and of the Company were unfrozen by MACC as disclosed in Note 34 to the financial statements.
- (e) The weighted average effective interest rate of cash at banks as at the end of the reporting period is as follows:

	Group		Company	
	2026 %	2025 %	2026 %	2025 %
Weighted average effective interest rate				
- Floating rate	2.85	3.10	2.71	2.98

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. CASH AND CASH EQUIVALENTS (CONT'D)

- (f) The interest rate profile of the cash and cash equivalents and restricted bank balances at the end of the reporting period is as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Fixed rate	12,306	11,892	—	—
Floating rate	758,266	703,897	8,032	23,048

Sensitivity analysis for fixed rate instruments at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

Sensitivity analysis of interest rate for floating rate instruments at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group		Company	
	2026	2025	2026	2025
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 50 basis points changes				
50 basis points higher	2,881	—	2,675	—
50 basis points lower	(2,881)	—	(2,675)	—

	Company		Company	
	2026	2025	2026	2025
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 50 basis points changes				
50 basis points higher	31	—	88	—
50 basis points lower	(31)	—	(88)	—

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. CASH AND CASH EQUIVALENTS (CONT'D)

- (g) The currency exposure profile of cash and cash equivalents and restricted bank balances is as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Ringgit Malaysia	724,584	671,731	8,346	23,325
Cambodia Riel	11	16	—	—
Chinese Renminbi	77	76	—	—
Hong Kong Dollar	547	305	—	—
Thailand Baht	4,247	4,092	—	—
United States Dollar	84,874	80,286	—	—
	814,340	756,506	8,346	23,325

Sensitivity analysis of RM against major foreign currencies at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group		Group	
	2026		2025	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 5% changes to RM against foreign currencies				
United States Dollar				
- strengthen by 5%	3,225	—	3,051	—
- weaken by 5%	(3,225)	—	(3,051)	—
Thailand Baht				
- strengthen by 5%	161	—	155	—
- weaken by 5%	(161)	—	(155)	—

The exposure to foreign currency risk of other currencies is not presented as changes in exchange rates would not materially affect profit after tax and equity of the Group.

- (h) Sensitivity analysis of market price risk for short term fund is not disclosed as it is not material to the Group.
- (i) No expected credit loss is recognised arising from cash and cash equivalents and restricted bank balances because the probability of default by these financial institutions is negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. SHARE CAPITAL

	Group and Company			
	2026		2025	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares				
Issued and fully paid with no par value				
At beginning of financial year	986,864	69,563	657,910	69,563
Issued during the financial year pursuant to:				
- Bonus issue	—	—	328,954	—
At end of financial year	986,864	69,563	986,864	69,563

- (a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) In the previous financial year, the issued and paid-up share capital of the Company increased from 657,909,500 to 986,864,185 by way of issuance of 328,954,685 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held by the shareholders of the Company.

The newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares of the Company.

17. RESERVES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-distributable				
Foreign currency translation reserve	3,697	5,030	—	—
Distributable				
Retained earnings	1,132,145	1,110,246	329,732	344,415
	1,135,842	1,115,276	329,732	344,415

- (a) The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in the foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. RESERVES (CONT'D)

- (b) On 25 November 2022, the Company established an Employees' Share Option Scheme ("ESOS") for the granting of ESOS to eligible Executive Directors and employees of the Group. The ESOS was implemented on 3 March 2023.

The ESOS is administered by the ESOS Committee and governed by the By-Laws of the ESOS.

The salient features of the ESOS are as follows:

- (i) The total number of new ordinary shares in the Company, which may be made available under the ESOS shall not exceed in aggregate 15% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS;
- (ii) The ESOS shall be in force for a duration of five (5) years from the effective date;
- (iii) Subject to the discretion of the ESOS Committee, an employee or an Executive Director of the Group who fulfils the relevant conditions of the By-Laws of the ESOS shall be eligible to participate in the ESOS ("Eligible Person");
- (iv) The number of the options to be offered to an Eligible Person in accordance with the ESOS shall be determined based on, inter alia, the Eligible Person's position, job performance, job grade, seniority, length of service, fulfilment of the relevant eligibility criteria, and/or such other matters as the ESOS Committee deems fit and the offer shall be valid for acceptance by an Eligible Person for a period of thirty (30) days from the date of offer;
- (v) Subject to any adjustments made under the By-Laws of the ESOS and pursuant to the listing requirements of Bursa Malaysia Securities Berhad, the exercise price shall be determined by the ESOS Committee and shall be based on the five-day ("5-day") volume weighted average market price ("5D-VWAMP") of ordinary shares in the Company ("Padini Shares") immediately preceding the date of offer, with a discount, if any, provided that the discount shall not be more than 10% of the said 5D-VWAMP of Padini Shares;
- (vi) Not more than 10% of the total number of ordinary shares in the Company to be issued under the ESOS shall be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (vii) Not more than 50% of the total number of ordinary shares in the Company to be issued under the ESOS shall be allocated, in aggregate, to the Executive Directors and senior management of the Group (excluding dormant subsidiaries within the Group) who are Eligible Persons.

There was no ESOS offered to eligible Executive Directors and employees of the Group since its implementation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. PROVISION FOR RESTORATION COSTS

	Group	
	2026 RM'000	2025 RM'000
Non-current		
Provision for restoration costs	10,629	8,185
Current		
Provision for restoration costs	1,928	1,425
	12,557	9,610

- (a) Provision for restoration costs comprises estimates of reinstatement costs for leased outlets upon the expiry of tenancy agreements. The liabilities for restoration costs are recognised at present value of the compounded future expenditure estimated using current price and discounted using a discount rate of 3.86% (2025: 4.11%).
- (b) The reconciliation of movements in the carrying amount of the provision for restoration costs is as follows:

	Group	
	2026 RM'000	2025 RM'000
Balance as at 1 July	9,610	9,369
Recognised in right-of-use assets (Note 6.1)	5,933	3,880
Recognised in profit or loss (Note 25)	624	668
Reversal of provision for restoration costs	(3,092)	(3,251)
Utilised during the financial year	(482)	(986)
Foreign exchange differences	(36)	(70)
Balance as at 30 June	12,557	9,610

- (c) The Group estimates provision for restoration costs based on historical costs incurred per square foot of rented area. The estimated provision for restoration costs is reviewed periodically and is updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

19. PROVISION FOR EMPLOYEE BENEFITS

The Group operates an unfunded, defined Retirement Benefit Scheme ("Scheme") for its eligible employees of its wholly-owned subsidiary, Padini (Thailand) Co., Ltd.. Under the Scheme, eligible employees are entitled to retirement benefits up to 400 days of final salary upon attainment of the retirement age of 60.

During the financial year, the provision for employee benefits was determined based on an actuarial valuation performed by an independent actuary. In the previous financial year, the provision for employee benefits was determined based on management's best estimate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

The amounts recognised in the statements of financial position are as follows:

	Group	
	2026	2025
	RM'000	RM'000
Provision for employee benefits representing net liability	50	118
Analysed as:		
Later than five (5) years	50	118
Analysed as:		
Non-current liabilities	50	118

The movements during the financial year in the amounts recognised in the statements of financial position in respect of the retirement benefit obligations are as follows:

	Group	
	2026	2025
	RM'000	RM'000
Balance as at 1 July	118	65
Included in profit or loss:		
Current service cost (Note 27)	5	52
Interest cost (Note 25)	1	—
Included in other comprehensive income:		
Remeasurement gain on provision for employee benefits	(70)	—
Foreign exchange differences	(4)	1
Balance as at 30 June	50	118

Certain assumptions are used in the computation of provision for employee benefits and due to the long term nature of this Scheme, such estimates are subject to uncertainty.

The principal assumptions used are as follows:

	Group	
	2026	2025
	%	%
Discount rate	2.90	2.27
Price inflation	2.00	0.96
Expected rate of salary increase	3.00	5.00

The discount rate is determined by reference to the Government Bond of Thailand yields with more than ten (10) years of maturity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

Significant assumption used in determining the provision for employee benefits is the discount rate. The sensitivity analysis of the significant assumption at the end of the reporting period, assuming that all other variables remain constant, is as follows:

Group	2026		2025	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
A 1% increase/decrease in discount rate will decrease/increase the provision for employee benefits	(7)	9	(46)	58

The sensitivity analysis presented above may not be representative of the actual change in provision for employee benefits as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade payables				
Third parties	88,739	96,223	—	—
Other payables				
Third parties	18,773	28,925	505	477
Accruals	11,596	12,763	57	58
Financial guarantee contracts	—	—	—*	—*
	30,369	41,688	562	535
	119,108	137,911	562	535

* No financial guarantee contracts recognised.

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2025: 30 to 90 days) from date of invoice.
- (c) In the previous financial year, included in other payables of the Group were advance payments received from customers against confirmed purchase orders amounting to RM7,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. TRADE AND OTHER PAYABLES (CONT'D)

- (d) Included in other payables of the Group in the previous financial year was an amount owing to a financial institution in respect of supply chain solutions ("SCS") obtained to facilitate efficient payment processing amounting to RM7,938,000.

The Group participated in a SCS, for which its suppliers may elect to receive early payment of their invoices from a financial institution by factoring their receivables from the Group. Under the arrangement, a financial institution agrees to pay amounts to participating suppliers in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a financial institution before their due dates.

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the perspective of the Group, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the financial institution on the amounts due to the suppliers. The Group therefore discloses the amounts factored by suppliers that remain unpaid by the financial institution within trade payables because the nature and function of the financial liability remain the same as those of other trade payables but discloses disaggregated amounts in the notes. All payables under the SCS were classified as current as at 30 June 2025. There were no outstanding payables under the SCS as at 30 June 2026.

	Total SCS trade payables RM'000	Not yet paid by finance provider RM'000	Paid by finance provider RM'000
At 30 June 2025/1 July 2025	7,938	—	7,938
At 30 June 2026	—	—	—

Range of payment due dates (after invoice date)

	Trade payables that are part of the SCS	Comparable trade payables that are not part of the SCS
At 30 June 2025/1 July 2025/ 30 June 2026	30 days	30 days

The payments to the financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating, i.e. payments for the purchased goods and services. The payments to the suppliers by the financial institution are considered non-cash transactions and amounted to RM32,855,000 (2025: RM208,424,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. TRADE AND OTHER PAYABLES (CONT'D)

- (e) The Company provides financial guarantees to financial institutions for banking facilities obtained by the subsidiaries. Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at the higher of:

- (i) the amount of the loss allowance; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

No financial guarantee contracts have been recognised at the end of the reporting period as there was no utilisation of any banking facilities by the subsidiaries at the end of the reporting period.

- (f) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	116,575	134,935	562	535
Chinese Renminbi	26	4	—	—
Hong Kong Dollar	39	41	—	—
Singapore Dollar	—	50	—	—
Thailand Baht	363	549	—	—
United States Dollar	2,105	2,332	—	—
	119,108	137,911	562	535

Sensitivity analysis of RM against major foreign currencies at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group		Company	
	2026	2025	2026	2025
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 5% changes to RM against foreign currencies				
United States Dollar				
- strengthen by 5%	(80)	—	(89)	—
- weaken by 5%	80	—	89	—
Thailand Baht				
- strengthen by 5%	(14)	—	(21)	—
- weaken by 5%	14	—	21	—

The exposure to foreign currency risk of other currencies is not presented as changes in exchange rates would not materially affect profit after tax and equity of the Group.

- (g) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. CONTRACT LIABILITIES

	Group 2026 RM'000	2025 RM'000
Deferred revenue from customer loyalty points	901	739

- (a) The contract liabilities represent the deferred revenue from customer loyalty points outstanding as at the end of the reporting period. Revenue from customer loyalty points is recognised at a point in time upon redemption or expiry of customer loyalty points. The validity of the customer loyalty points is six (6) months (2025: six (6) months).

- (b) The reconciliation of movements in the carrying amount of the contract liabilities is as follows:

	Group 2026 RM'000	2025 RM'000
Balance as at 1 July	739	584
Additions during the financial year	2,199	1,931
Redemptions during the financial year	(1,104)	(1,084)
Reversal on expiry of loyalty points	(915)	(675)
Lapsed rebate vouchers	(18)	(17)
Balance as at 30 June	901	739

- (c) The following are the amounts of revenue recognised from:

	Group 2026 RM'000	2025 RM'000
Amounts included in contract liabilities at the beginning of the financial year	739	584

- (d) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is as follows:

	Group 2026 RM'000	2025 RM'000
Within one (1) year	901	739

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2026 RM'000	2025 RM'000
Contracted but not provided for:		
Capital expenditure in respect of property, plant and equipment	6,532	4,295
Capital expenditure in respect of intangible assets	393	2,910
	6,925	7,205

23. REVENUE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
<i>Revenue from contracts with customers</i>				
Sale of goods	1,875,656	1,937,830	—	—
Revenue from customer loyalty points	(162)	(155)	—	—
<i>Other revenue</i>				
Dividend income	—	—	73,450	73,450
	1,875,494	1,937,675	73,450	73,450
Timing of revenue recognition:				
Transferred at a point in time	1,875,494	1,937,675	—	—

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customers and coincides with the delivery of goods and acceptance by customers.

The contracts for the sale of goods provide customers with a right of return the goods within a specified period. No refund liability is recognised arising from the right of return as it is negligible.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. REVENUE (CONT'D)

(b) Revenue from customer loyalty points

The Group's loyalty points programme allows customers to accumulate points that can be redeemed for products.

The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised at a point in time upon redemption or expiry of the customer loyalty points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a regular basis and any adjustments to the contract liability balance are charged against revenue.

(c) Dividend income

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

(d) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 4 to the financial statements, which has been presented based on geographical location and business units based on their products from which the sales transactions originated.

24. COST OF SALES

	Group	
	2026 RM'000	2025 RM'000
Inventories sold	1,115,178	1,160,994
Carriage, freight and handling charges	13,593	17,169
Others	12,891	6,640
	1,141,662	1,184,803

Others represent inventory losses, inventories written back, inventories written down and inventories written off.

25. FINANCE COSTS

	Group	
	2026 RM'000	2025 RM'000
Interest expense on:		
- Lease liabilities (Note 6)	30,603	28,168
- Provision for employee benefits (Note 19)	1	—
- Others	112	187
Unwinding of discount on provision for restoration costs (Note 18)	624	668
	31,340	29,023

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
After charging:				
Auditors' remuneration:				
BDO PLT Malaysia				
- Statutory audit				
- current year	283	273	60	58
- Non-statutory audit	7	7	7	7
Other auditors				
- Statutory audit				
- current year	66	69	—	—
Affiliate and member firm of BDO PLT				
- Non-statutory audit	42	43	6	6
Bad debts written off	—	—*	—	—
Deposits written off	25	—	—	—
Fair value loss on investment property	258	459	—	—
Intangible assets written off	11	—	—	—
Loss on disposals of property, plant and equipment	4	—	—	—
Loss on foreign exchange:				
- realised	942	24	—	—*
- unrealised	2,379	7,843	—	—
Property, plant and equipment written off	1,543	90	—	—
Rental of equipment	647	268	—	—
Rental of premises	30,149	38,481	—	—
And crediting:				
Accretion of discount from deposits for leases	853	1,151	—	—
Dividend income from short term fund	11	7	—	—
Fair value gain on short term fund	822	508	—	—
Gain on disposals of property, plant and equipment	—	227	—	—
Gain on foreign exchange:				
- realised	16	108	—	—
- unrealised	55	—*	—	—
Gain on reassessments and modifications of leases	1,115	2,085	—	—
Interest income	21,951	22,490	251	823
Rental income from:				
- investment property	192	225	—	—
- premises	—	—	6,569	6,569
Royalty income	315	487	—	—

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. PROFIT BEFORE TAX (CONT'D)

- (a) Dividend income is recognised when the right to receive payment is established.
- (b) Interest income is recognised as it accrues, using the effective interest method.
- (c) Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.
- (d) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

27. EMPLOYEE BENEFITS

	Group	
	2026	2025
	RM'000	RM'000
Salaries, wages, allowances and bonuses	201,159	203,241
Contributions to defined contribution plans	20,611	20,803
Unutilised leaves	89	20
Increase in provision for employee benefits (Note 19)	5	52
Other employee benefits	6,872	6,910
	228,736	231,026

- (a) Included in the employee benefits of the Group are Executive and Non-Executive Directors' remuneration amounting to RM6,882,000 (2025: RM7,641,000).
- (b) The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM150,000 (2025: RM229,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. TAX EXPENSE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current year tax expense based on profit for the financial year:				
- Malaysian income tax	46,464	56,176	1,527	1,507
- Foreign income tax	352	330	—	—
	46,816	56,506	1,527	1,507
Under/(Over) provision in prior years:				
- Malaysian income tax	743	(137)	160	176
- Foreign income tax	—	63	—	—
	743	(74)	160	176
	47,559	56,432	1,687	1,683
Deferred tax (Note 11):				
- Relating to origination and reversal of temporary differences	847	(1,876)	—	—
- (Over)/Under provision in prior years	(212)	35	—	—
	635	(1,841)	—	—
	48,194	54,591	1,687	1,683

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2025: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expenses for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. TAX EXPENSE (CONT'D)

- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company is as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Profit before tax	160,815	209,379	77,796	78,765
Tax at Malaysian statutory tax rate of 24% (2025: 24%)	38,596	50,251	18,671	18,904
Tax effects in respect of:				
Different tax rates in foreign jurisdiction	686	722	—	—
Non-allowable expenses	9,355	4,711	484	231
Non-taxable income	(378)	(360)	(17,628)	(17,628)
Utilisation of previously unrecognised tax losses and capital allowances	(596)	(694)	—	—
	47,663	54,630	1,527	1,507
Under/(Over) provision of tax expense in prior years	743	(74)	160	176
(Over)/Under provision of deferred tax in prior years	(212)	35	—	—
	48,194	54,591	1,687	1,683

- (d) Tax on each component of other comprehensive (loss)/income is as follows:

	Group					
	Before tax	2026 Tax effect	After tax	Before tax	2025 Tax effect	After tax
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	(1,333)	—	(1,333)	(2,768)	—	(2,768)
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of provision for employee benefits	70	—*	70	—	—	—

* The tax effect has not been recognised as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. DIVIDENDS

	Group and Company			
	2026		2025	
	Single tier dividend per ordinary share sen	Amount of dividend RM'000	Single tier dividend per ordinary share sen	Amount of dividend RM'000
First interim dividend	1.80	17,764	2.50	16,448
Second interim dividend	1.80	17,764	2.50	16,448
Third interim dividend	1.80	17,764	1.80	17,763
Fourth interim dividend	1.80	17,764	1.80	17,763
Special dividend	2.00	19,736	1.00	9,869
	9.20	90,792	9.60	78,291

The Directors do not recommend the payment of any final dividend for the financial year ended 30 June 2026.

On 27 August 2026, the Board of Directors declared a first interim single tier dividend of 1.80 sen per ordinary share of approximately RM17,764,000 in respect of the financial year ending 30 June 2027 and was paid to the shareholders on 30 September 2026, whose names appeared on the Record of Depositors of the Company at the close of business on 15 September 2026. The financial statements for the current financial year do not reflect this declared dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the next financial year.

30. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares outstanding during the financial year.

	2026	Group 2025
Profit for the financial year (RM'000)	112,621	154,788
Weighted average number of ordinary shares in issue ('000)	986,864	986,864
Basic earnings per ordinary share (sen)	11.41	15.68

(b) Diluted

The diluted earnings per ordinary share for the current and previous financial years equal to basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationships with its direct and indirect subsidiaries.

The Group also has related party relationship with the following party:

Identity of the related party	Relationship
Yong Pang Chaun Holdings Sdn. Bhd. ("YPCH")	Corporate shareholder of the Company with equity interest of 43.74% (2025: 43.74%) and where a Director of the Company, namely Yong Pang Chaun has substantial financial interests. Yong Pang Chaun, Andrew Yong Tze How, Benjamin Yong Tze Jet and Christopher Yong Tze-Yao are also the Directors of YPCH.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Company 2026 RM'000	2025 RM'000
Transactions with subsidiaries:		
Dividend income received or receivable from:		
- Vincci	4,830	4,830
- Padini Corporation	29,220	29,220
- Seed	3,400	3,400
- Yee Fong Hung	36,000	36,000
Rental income received or receivable from:		
- Vincci	181	243
- Padini Corporation	273	362
- Seed	120	115
- Yee Fong Hung	3,697	3,940
- Mikihouse	103	71
- Padini Dot Com	2,195	1,838

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2026 and 30 June 2025 is disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors, who are the only key management personnel of the Group and of the Company, during the financial year was as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Non-executive Directors				
Fees	523	523	523	523
Short-term employee benefits	29	30	29	30
	552	553	552	553
Executive Directors				
Short-term employee benefits	5,776	6,449	—	—
Contributions to defined contribution plans	554	639	—	—
	6,330	7,088	—	—
	6,882	7,641	552	553

The estimated monetary value of benefits-in-kind provided to the Directors of the Group was RM150,000 (2025: RM229,000).

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that it maintains a strong capital base in order to support its business operations and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from the financial year ended 30 June 2025.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may, from time to time, adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, where necessary. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2026 and 30 June 2025.

The Group monitors capital using a gearing ratio, which is calculated as lease liabilities owing to financial institutions divided by total capital. Total capital represents equity attributable to the owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (Cont'd)

The gearing ratios of the Group and of the Company at the end of the reporting period are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Lease liabilities owing to financial institutions	3,939	9,016	—	—
	3,939	9,016	—	—
Equity attributable to owners of the Company	1,205,405	1,184,839	399,295	413,978
Gearing ratio (%)	0.3%	0.8%	**	**

** The gearing ratio for the Company is not presented as the Company does not have borrowings at the end of the reporting period.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2026.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk. Information on the management of the related exposures of these risks is detailed below.

(i) Credit risk

Credit risk is the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group.

Cash deposits, trade and other receivables and financial guarantees given to banks for banking facilities granted to subsidiaries may give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. The counterparties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for walk-in customers at its outlets and certain export franchisees, where deposits in advance are normally required. The credit period is generally for a period of two (2) days, extending up to two (2) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk concentration profile has been disclosed in Note 13 to the financial statements.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements is represented by the outstanding banking facilities of the subsidiaries, if any, as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial positions of the subsidiaries deteriorate significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) the subsidiaries are unlikely to repay their credit obligations to the banks in full; or
- (b) the subsidiaries are continuously loss making and are having deficit in the shareholder's fund.

The Company determines the probability of default by subsidiaries on the guaranteed banking facilities using available internal information.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group and the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets as and when they fall due.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 6 and 20 to the financial statements respectively.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group and of the Company relates to interest-earning cash at banks and fixed deposits with financial institutions. The floating rate deposits of the Group and of the Company are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge its risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM89,756,000 (2025: RM84,775,000) for the Group.

The currency exposure profile and sensitivity analysis of foreign currency risk have been disclosed in Notes 13, 15 and 20 to the financial statements respectively.

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The sensitivity analysis of market risk has been disclosed in Notes 10 and 15 to the financial statements respectively.

33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

33.1 Amendments to MFRS adopted during the financial year

The Group and the Company adopted the following Amendments to MFRS of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

The adoption of the above Amendments to MFRS did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

33.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are Standards and Amendments to MFRSs of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
MFRS 20 <i>Regulatory Assets and Regulatory Liabilities</i>	1 January 2029
Amendments to MFRS 128 <i>Amendments to the Fair Value Option for Investments in Associates and Joint Ventures</i>	Applicable when an entity first applies MFRS 18
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to MFRSs, since the effects would only be observable for future financial years.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 April 2026, twenty-one (21) bank accounts of the Group, including three (3) bank accounts of the Company, were frozen pursuant to an order issued under Section 44(1) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 by the Malaysian Anti-Corruption Commission ("MACC") in connection with an ongoing investigation.

Subsequently, on 1 May 2026, funds in four (4) of the affected bank accounts of the Group were partially released by MACC.

Subsequent to the end of the reporting period, on 16 July 2026, all the affected bank accounts of the Group and of the Company were unfrozen by MACC. The Company further clarified that no director, officer, employee or representative of the Group had been arrested or charged with any offence arising from the matter, and neither the Group nor any member of the Group had been made the subject of any forfeiture proceedings in connection with the investigation.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Revenue		1,875,494	1,937,675
Other income		34,152	31,342
Total		1,909,646	1,969,017
Total Assets		2,050,500	2,051,200

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Insurance income		4	251
Dividend income received from conventional shares and instruments		1	1
Interest income		4,046	3,349
Total		4,051	3,601

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Cash at bank (exclude cash in hand)		647,815	595,791
Cash in hand		2,062	2,944
Deposits with licensed bank		12,306	11,892
Short-term funds		26,347	25,514
Total		688,530	636,141
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		125,810	120,365
Total		125,810	120,365

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Current			
Please Select: Islamic Components	N/A	—	—
Non-Current			
Please Select: Islamic Components	N/A	—	—
Total		0	0
Conventional Borrowing			
Current			
Hire purchase payables		3,274	5,078
Non-Current			
Hire purchase payables		665	3,938
Total		3,939	9,016

LIST OF GROUP PROPERTIES

AS AT 30 JUNE 2026

Location	Description / Existing Use	Land Area/ Built-up Area (sq. ft.)	Tenure	Approximate Age of Buildings	Net Carrying Amount @ 30.06.2026 (RM)
No. 21, Lot 116, Jalan U1/20 Glenmarie Industrial Park 40000 Shah Alam Date of Acquisition: 11 June 1998	2-storey Office cum warehouse: Corporate Headquarters & central warehouse	45,962 / 68,536	Freehold	30.5 years	9,890,074
No. 19, Lot 115, Jalan U1/20 Glenmarie Industrial Park 40150 Shah Alam Date of Acquisition: 08 August 2003	4-storey Office cum warehouse: Corporate Headquarters & central warehouse	45,962/ 116,337	Freehold	20 years	11,405,133
No. 15, Lot 112, Jalan U1/20 Glenmarie Industrial Park 40150 Shah Alam Date of Acquisition: 24 March 2006	4-storey Central Warehouse with 1 Basement Car park	75,003/ 180,070	Freehold	16 years	18,387,347
Lots LG 028 & 044 Lower Ground Floor Sungei Wang Plaza Kuala Lumpur Date of last revaluation: 1982	Retail shoplots: utilised by a subsidiary as a free- standing retail outlet	1455 / 1455	Freehold	53 years	8,645,000
Workshop B15 10th Floor, Block B Hong Kong Industrial Centre 489-491 Castle Peak Road, Kowloon, Hong Kong Date of acquisition: 12 September 2007	Office Lot/ Workshop: Management Office for Padini International Limited, Hong Kong	1,500	Leasehold – 75 years expiring on 30.06.2047	44 years	821,405
Workshop B14 10th Floor, Block B Hong Kong Industrial Centre 489-491 Castle Peak Road, Kowloon, Hong Kong Date of acquisition: 12 September 2007	Office Lot/ Workshop: Rented out	1,424	Leasehold – 75 years expiring on 30.06.2047	44 years	3,564,005
Flat E, 5th Floor, Block 5, Liberte, No. 833, Lai Chi Kok Road, Kowloon. Date of acquisition: 29 August 2014	Residential Apartment: Staff Hostel	698	Leasehold – 50 years expiring on 16.08.2049	23 years	2,824,896
36, Jalan Ekoperniagaan 2/8, Taman Ekoperniagaan, 81100 Johor Bahru Date of acquisition: 10 April 2025	2-storey Office cum Warehouse	20,763/ 11,579	Freehold	11 years	4,974,333

DIRECTORS' SHAREHOLDINGS AND INTERESTS

AS AT 18 SEPTEMBER 2026

(based on Register of Directors' Shareholding)

SHAREHOLDINGS IN THE COMPANY

Director	No. of Shares Held			
	Indirect	%	Direct	%
YONG PANG CHAUN	440,059,070 *	44.59	16,442,925	1.67
ANDREW YONG TZE HOW	NIL	NIL	330,000	0.03
BENJAMIN YONG TZE JET	NIL	NIL	719,950	0.07
CHRISTOPHER YONG TZE-YAO	NIL	NIL	288,600	0.03
SUNG FONG FUI	140,000 ##	0.01	NIL	NIL
TAN SHI WEN	NIL	NIL	NIL	NIL
TAN POH LING	NIL	NIL	NIL	NIL
DATUK LEE SAY TSHIN	NIL	NIL	450,000	0.05
TIMOTHY TAN HENG HAN	NIL	NIL	NIL	NIL
NG CHEE HOONG	NIL	NIL	NIL	NIL

In addition to the direct/indirect interests disclosed above, Yong Pang Chaun is deemed to be interested in shares of the subsidiary companies to the extent the Company has an interest by virtue of his interests in the shares of the Company.

* Indirect interests via his spouse, Chong Chin Lin's and sons' (Andrew Yong Tze How, Benjamin Yong Tze Jet and Christopher Yong Tze-Yao) shareholdings in the Company.

Indirect interest via her spouse, Ng Yun Vui's shareholdings in the Company.

ANALYSIS OF SHAREHOLDINGS

AS AT 18 SEPTEMBER 2026

Total number of shares issued : 986,864,185 Ordinary Shares
 Class of Shares : Ordinary Shares
 Voting rights : One vote per Ordinary share
 No. of shareholders : 12,587

DISTRIBUTION SCHEDULE - ORDINARY SHAREHOLDERS AS AT 18 SEPTEMBER 2026

No. of Holders	Holdings	Total Holdings	%
499	less than 100	10,749	0.01
3,256	100 - 1,000	1,649,120	0.17
6,271	1,001 - 10,000	25,678,699	2.60
2,204	10,001 - 100,000	63,759,821	6.46
354	100,001 - 49,343,208	330,549,992	33.49
3	49,343,209 and above	565,215,804	57.27
12,587	TOTAL	986,864,185	100.00

ANALYSIS OF SHAREHOLDINGS
(CONT'D)LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 18 SEPTEMBER 2026
(based on Register of Substantial Shareholders)

No.	Name	Nationality	Registered Holder	No. of Shares held or beneficially interested in		Percentage of Shareholding	
				Direct	Indirect	Direct	Indirect
1	Yong Pang Chaun Holdings Sdn. Bhd.	Incorporated in Malaysia	Yong Pang Chaun Holdings Sdn. Bhd.	431,645,250	–	43.74	–
2	Yang Guang Labuan Foundation @@	Incorporated in Malaysia	Yong Pang Chaun Holdings Sdn. Bhd.	–	431,645,250	–	43.74
3	Yong Pang Chaun **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd.	–	431,645,250	–	43.74
			Chong Chin Lin #	–	7,075,270	–	0.72
			Andrew Yong Tze How #	–	330,000	–	0.03
			Benjamin Yong Tze Jet #	–	719,950	–	0.07
			Christopher Yong Tze-Yao #	–	288,600	–	0.03
			Yong Pang Chaun	16,442,925	–	1.67	–
4	Chong Chin Lin **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd.	–	431,645,250	–	43.74
			Yong Pang Chaun *	–	16,442,925	–	1.67
			Andrew Yong Tze How *	–	330,000	–	0.03
			Benjamin Yong Tze Jet *	–	719,950	–	0.07
			Christopher Yong Tze-Yao *	–	288,600	–	0.03
			Chong Chin Lin	7,075,270	–	0.72	–

ANALYSIS OF SHAREHOLDINGS
(CONT'D)LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 18 SEPTEMBER 2026 (CONT'D)
(based on Register of Substantial Shareholders)

No.	Name	Nationality	Registered Holder	No. of Shares held or beneficially interested in		Percentage of Shareholding	
				Direct	Indirect	Direct	Indirect
5	Employees Provident Fund Board	Incorporated in Malaysia	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	61,979,154	-	6.28	-
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident FD BD (ARIM)	2,838,150	-	0.29	-
			Citigroup Nominees (Tempatan) Sdn Bhd - EMPLOY PRVNT FD BD (CGS CIMB-SBL)	1,973,600	-	0.20	-
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board-IC	23,308,396	-	2.36	-
			Citigroup Nominees (Tempatan) Sdn Bhd - EMPLOY PRVNT FD BD (RHB ISLAMIC)IC	763,144	-	0.08	-
			Citigroup Nominees (Tempatan) Sdn Bhd - EMPLOY PRVNT FD BD (EAST-ESG-EQ)	1,334,000	-	0.14	-
6	Kumpulan Wang Persaraan (Diperbadankan)	Incorporated in Malaysia	Kumpulan Wang Persaraan (Diperbadankan)	75,705,200	-	7.67	-
			Kumpulan Wang Persaraan (Diperbadankan) - Fund Managers	-	1,915,950	-	0.19

Note : All names listed above as substantial shareholders are the beneficial owners even though they may not be the registered holders.

@@ Deemed interested via by virtue of its directs interest in Yong Pang Chaun Holdings Sdn. Bhd.

** Those whose names are preceded by a double asterisk are deemed to have an interest in the shares by virtue of Section 8 of the Companies Act, 2016.

Indirect interests via his spouse, Chong Chin Lin's and sons' (Andrew Yong Tze How, Benjamin Yong Tze Jet and Christopher Yong Tze-Yao) shareholdings in the Company.

* Indirect interests via her spouse, Yong Pang Chaun's and sons' (Andrew Yong Tze How, Benjamin Yong Tze Jet and Christopher Yong Tze-Yao) shareholdings in the Company.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 SHAREHOLDERS AS AT 18 SEPTEMBER 2026

(based on Record of Depositors)

No.	Name	No. of Shares	%
1	YONG PANG CHAUN HOLDINGS SDN. BHD.	431,645,250	43.74
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	71,591,400	7.25
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	61,979,154	6.28
4	LEMBAGA TABUNG HAJI	43,428,750	4.40
5	THIAN MIN YANG	28,543,200	2.89
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	25,510,050	2.58
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	25,221,396	2.56
8	YONG PANG CHAUN	16,442,925	1.67
9	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	11,992,478	1.22
10	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	11,900,000	1.21
11	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	7,518,741	0.76
12	CHONG CHIN LIN	6,955,270	0.70
13	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	6,488,500	0.66
14	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,417,055	0.65
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	4,147,350	0.42
16	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	3,877,026	0.39

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 SHAREHOLDERS AS AT 18 SEPTEMBER 2026 (CONT'D)

(based on Record of Depositors)

No.	Name	No. of Shares	%
17	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.	3,536,500	0.36
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	3,120,600	0.32
19	SOON PENG LEN	3,000,000	0.30
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	2,838,150	0.29
21	CHIA KEE FOO	2,427,000	0.25
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	2,353,600	0.24
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (SHF T2)	2,000,000	0.20
24	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	1,997,700	0.20
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	1,973,600	0.20
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-MANULIFE-EQSH)	1,818,200	0.18
27	YAP KIM HAN	1,800,000	0.18
28	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR VANGUARD FTSE ALL-WORLD EX-US SMALL-CAP INDEX FUND	1,721,000	0.17
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPRING ABSR EQ)	1,445,900	0.15
30	YONG LEE PENG	1,350,000	0.14
TOTAL		795,040,795	80.56

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty Fifth Annual General Meeting ("45th AGM") of the Company will be held at Hilton Shah Alam Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 November 2026 at 10:00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To lay before the Meeting the Audited Financial Statements for the financial year ended 30 June 2026 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fee of RM550,000 in respect of the financial year ending 30 June 2027. *(Ordinary Resolution 1)*
3. To approve the payment of Directors' benefits (excluding Directors' Fees) up to an amount of RM50,000 payable to the Independent Directors from 1 July 2026 until the next Annual General Meeting of the Company to be held in the year 2027. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who are retiring in accordance with Clause 103(1) of the Company's Constitution:-
 - i) Datuk Lee Say Tshin *(Ordinary Resolution 3)*
 - ii) Mr Christopher Yong Tze-Yao *(Ordinary Resolution 4)*
 - iii) Ms Tan Shi Wen *(Ordinary Resolution 5)*
5. To re-appoint Messrs BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

Special Business

6. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

PROPOSED NEW AUTHORITY FOR THE COMPANY TO PURCHASE UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY")

"THAT, subject to the Companies Act, 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main LR") and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase its own ordinary shares ("Shares") on the Main Market of Bursa Securities ("Proposed Share Buy-Back Authority") at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:- *(Ordinary Resolution 7)*

- (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company and in compliance with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the Main LR or such other requirements as may be determined by Bursa Securities from time to time;
- (b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profit of the Company based on the latest Audited Financial Statements of the Company available at the time of purchase(s);

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (c) The authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-
- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever occurs first; and
- (d) That upon completion of the purchase by the Company of its own ordinary shares, the Board of Directors be and are hereby authorized to deal with the ordinary shares purchased in their absolute discretion in the following manner:
- (i) cancel all or part of the Purchased Shares; and/or
 - (ii) retain all or part of the Purchased Shares as Treasury Shares; and/or
 - (iii) distribute all or part of the Treasury Shares as share dividends to the Company's shareholders; and/or
 - (iv) resell all or part of the Treasury Shares on Bursa Securities; and/or
 - (v) transfer all or part of the Treasury Shares for the purposes of or under an employees' share scheme; and/or
 - (vi) transfer all or part of the Treasury Shares as purchase consideration; and/or
 - (vii) sell, transfer or otherwise use all or part of the Treasury Shares for such other purposes as the Minister may by order prescribe.

AND THAT authority be and is hereby given to the Board of Directors to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

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

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 45th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") in accordance with Clause 71 of the Company's Constitution and Section 34 (1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 19 November 2026. Only depositors whose name appears on the Record of Depositors as at 19 November 2026 shall be entitled to attend the said meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

HO MUN YEE (SSM PC NO. : 201908003292) (MAICSA 0877877)
CHO MEI THO (SSM PC NO. : 201908003284) (MAICSA 7036543)
 Company Secretaries

Selangor
 23 October 2026

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

- (i) A member of the Company entitled to attend and vote at the above meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
- (ii) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy must be completed and deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll). Members can also have the option to submit the proxy appointment electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.

Notes:

- A. The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Companies Act 2016. Hence, this matter will not be put for voting.
- B. The benefits payable to the Directors (excluding Directors' Fees) comprises meeting allowances payable to the Independent Directors. The estimated meeting allowances payable to the Directors from 1 July 2026 until the next Annual General Meeting of the Company to be held in the year 2027, are calculated based on the number of scheduled meetings for Board of Directors, Board Committees and general meetings of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

I. Proposed Shares Buy-Back Authority

Ordinary Resolution 7, if passed, will provide mandate for the Company to buy-back its own shares up to a limit of ten percent ("10%") of the total number of issued shares of the Company. Further explanatory notes on Ordinary Resolution 7 is set out in the Share Buy-Back Statement to Shareholders dated 23 October 2026.

STATEMENT ACCOMPANYING THE NOTICE OF THE 45TH ANNUAL GENERAL MEETING

A. Further details of Directors who are standing for re-election as Directors

The details of the Directors who are standing for re-election at the 45th AGM are set out in the Directors' Profile of the Company's 2026 Integrated Annual Report. No individual other than the retiring Directors are seeking election as Directors at the 45th AGM.

The retiring Directors have been assessed by the Nominating and Remuneration Committee and the Board of Directors. The Directors recommended the retiring Directors for re-election at the 45th AGM after considering their experience, integrity, competence, performance and commitment in discharging their roles as Directors of the Company.

Personal Data Privacy

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

Note : The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ADMINISTRATIVE DETAILS FOR THE 45TH ANNUAL GENERAL MEETING (“45TH AGM” or “Meeting”) OF PADINI HOLDINGS BERHAD TO BE HELD AT GLENMARIE BALLROOM, HILTON SHAH ALAM GLENMARIE, NO 1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN ON WEDNESDAY, 25 NOVEMBER 2026 AT 10.00 AM.

PARKING

- Parking is complimentary at the open car park of Hilton Shah Alam Glenmarie.

REGISTRATION

- Registration will start at 8.30 am and will remain open until the Chairman of the Meeting announces that the registration will be closed to facilitate the commencement of the poll or such time as may be determined by the Chairman of the Meeting.
- Please read the signage placed around Glenmarie Ballroom as to where you should register yourself for the Meeting and join the queue accordingly.
- Please produce your original Identity Card (IC) or Passport (for foreigners) to the registration staff for verification. No photocopy of IC or Passport will be accepted. Please make sure you collect your IC or Passport thereafter.
- No person will be allowed to register on behalf of another person even with the original IC or passport of that other person.
- You will be given an identification wristband printed with passcode upon registration and will only be allowed to enter the meeting hall if you are wearing the identification wristband. Please retain the identification wristband for voting. There will be no replacement in the event you lose or misplace the identification wristband.
- You will also be given one (1) food coupon upon registration. This food coupon entitles you to a meal box at the Foyer of the meeting hall. There will be no replacement in the event you lose or misplace the food coupon.
- Each shareholder/ proxy will be given ONE (1) coupon only. If you are a shareholder and also appointed as proxy by another shareholder, you are entitled to one (1) coupon only.
- The registration counter will only handle verification of identity and registration.

HELP DESK

- Please proceed to the Help Desk for any clarification or queries.
- The Help Desk will also handle revocation of proxy's appointment.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

PROXY

- A member entitled to attend and vote is entitled to appoint proxy/proxies, to attend and vote on his/her behalf. If you are unable to attend the 45th AGM and wish to appoint a proxy to vote on your behalf, please submit your proxy form in accordance with the notes and instructions printed therein.
- If you wish to attend the 45th AGM yourself, please do not submit any proxy form. You will not be allowed to attend the 45th AGM together with a proxy appointed by you.
- Proxy form and/or documents relating to the appointment of proxy/attorney for the 45th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than 48 hours before the time set for the 45th AGM or not later than Monday, 23 November 2026 at 10.00 a.m.:

In Hard copy form:

In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Vistra Investor & Issuing House Services Sdn Bhd (formerly known as Tricor Investor & Issuing House Services Sdn Bhd) ("Vistra") of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

By Electronic form:

The procedures to submit your proxy form electronically via Vistra Share Registry and IPO (MY) portal ("Vistra SRMY portal") are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at Vistra SRMY portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>If you are an existing user with Vistra SRMY portal or the TIIH Online portal previously, you are not required to register again.</i>
Proceed with submission of proxy form	1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: "PADINI HOLDINGS BERHAD 45TH AGM". 3. Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at Vistra SRMY portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Representative or Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Vistra if you need clarifications on the user registration.</i>
Proceed with submission of proxy form	1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: "PADINI HOLDINGS BERHAD 45TH AGM". 3. Navigate to the icon ">" at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select "Confirm" to complete your submission. 10. Print the confirmation report of your submission for your record.

- If you have submitted your proxy form prior to the 45th AGM and subsequently decided to attend the 45th AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

CORPORATE MEMBER

- Any corporate member who wishes to appoint a representative instead of a proxy to attend the 45th AGM should submit the original certificate of appointment under the seal of the corporation to the Office of the Poll Administrator at any time before the time appointed for holding the 45th AGM or to the registration staff on the Meeting day for the Company's records.

VOTING AT THE MEETING

- The voting at the 45th AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Vistra as Poll Administrator to conduct the poll by way of electronic voting (evoting) and a scrutineer has been appointed to verify the poll results.
- E-voting for each of the resolutions as set out in the Notice of 45th AGM will take place only upon the conclusion of the deliberations of all the businesses to be transacted at the 45th AGM. The registration for attendance will be closed, to facilitate commencement of the poll.
- Each shareholder/proxy will be directed to the e-voting kiosk for voting where he/she must produce the identification wristband issued to him/her during registration for the 45th AGM.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS (CONT'D)

SUBMISSION OF QUESTIONS

- Shareholders may submit questions in relation to the agenda items of the 45th AGM via Vistra SRMY portal by selecting “e-Services” to login, pose questions and submit electronically no later than 10.00am on Monday, 23 November 2026.
- The Board will endeavour to address the questions received prior to the AGM, as well as those raised during the AGM.

GENERAL MEETING RECORD OF DEPOSITORS

- Only shareholders whose names appear in the General Meeting Record of Depositors as at 19 November 2026 shall be entitled to attend, speak and vote at the 45th AGM or appoint a proxy(ies) on his/her behalf.

REFRESHMENT AND DOOR GIFT

- Light refreshments will be served outside Glenmarie Ballroom prior to the commencement of the 45th AGM, on first come, first serve basis.
- No door gift will be given.

NO RECORDING OR PHOTOGRAPHY

- Unauthorised recording and photography are strictly prohibited at the 45th AGM.

ENQUIRY

- If you have general queries prior to the AGM, please contact our Share Registrar during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Mondays to Friday, except public holidays) at 603-2783 9299 or email to is.enquiry@vistra.com.

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PADINI HOLDINGS BERHAD
(Registration No. 197901005918 (50202-A))
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	No. of Shares held	Tel No

I/We, _____
(Full name in Block Letters and NRIC/Passport/Company No.)

of _____
(Address)

being a member(s) of PADINI HOLDINGS BERHAD, hereby appoint

Full Name (in Block Letters) and address	NRIC/Passport No.	% of Shareholding

and

Full Name (in Block Letters) and address	NRIC/Passport No.	% of Shareholding

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the Forty Fifth Annual General Meeting of the Company to be held at Hilton Shah Alam Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 November 2026 at 10:00 a.m. or at any adjournment thereof.

		FOR	AGAINST
Ordinary Resolution 1	Directors' Fee for the year ending 30 June 2027		
Ordinary Resolution 2	Directors' Benefits		
Ordinary Resolution 3	Re-election of Datuk Lee Say Tshin		
Ordinary Resolution 4	Re-election of Mr Christopher Yong Tze-Yao		
Ordinary Resolution 5	Re-election of Ms Tan Shi Wen		
Ordinary Resolution 6	Re-appointment of Auditors		
Ordinary Resolution 7	Proposed Share Buy-Back Authority		

(With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided above how you wish your votes to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.)

Dated this _____ day of _____ 2026

Signature of Member / Common Seal

Notes:

- (i) A member of the Company entitled to attend and vote at the above meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
- (ii) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy must be completed and deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll). Members can also have the option to submit the proxy appointment electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 23 October 2026.



Fold this flap for sealing

Then fold here

PADINI HOLDINGS BERHAD
(Registration No. 197901005918 (50202-A))
C/O The Share Registrar

AFFIX
STAMP

Vistra Investor & Issuing House Services Sdn Bhd
(formerly known as Tricor Investor & Issuing House Services Sdn Bhd)
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

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corporate.padini.com

PADINI HOLDINGS BERHAD

Registration No: 197901005918 (50202-A)

No. 19, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan, Malaysia

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