PADINI HOLDINGS BERHAD

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

Annual Report & Sustainability Report
2 0 2 2

vision

To Be The
Best Fashion Company
Ever

mission

To Exceed
Customers' Expectations
And
Our Brands' Promise

core value

PADINI

caring from the heart

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty First Annual General Meeting ("41st AGM") of the Company will be conducted virtually through live streaming from the broadcast venue at Room 4.2, No. 19 Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan and via the online meeting platform provided by SS E Solutions Sdn Bhd in Malaysia via its Securities Services e-Portal ("SSeP") at https://sshsb.net.my/ on Friday, 25 November 2022 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 2022 and the Reports of the Directors and Auditors thereon.
2. To approve payment of Directors' fee of RM380,000 in respect of the financial year ended 30 June 2022. *(Ordinary Resolution 1)*
3. To approve payment of Directors' fee of RM480,000 in respect of the financial year ending 30 June 2023. *(Ordinary Resolution 2)*
4. 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 2022 until the next Annual General Meeting of the Company to be held in the year 2023. *(Ordinary Resolution 3)*
5. To re-elect the following Directors who are retiring in accordance with Clause 103(1) of the Company's Constitution:-

   i) Ms Chong Chin Lin *(Ordinary Resolution 4)*

   ii) Mr Chia Swee Yuen *(Ordinary Resolution 5)*

   iii) Mr Andrew Yong Tze How *(Ordinary Resolution 6)*
6. To re-elect the following Director who is retiring in accordance with Clause 110 of the Company's Constitution:-

   i) Ms Tan Poh Ling *(Ordinary Resolution 7)*
7. To re-appoint Messrs BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 8)*

Special Business

8. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

   Retention of Independent Director

   "That Mr Foo Kee Fatt who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine years be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company." *(Ordinary Resolution 9)*

Notice of Annual General Meeting (Cont'd)

9. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

Retention of Independent Director

"That Mr Lee Peng Khoon, who will be completing his term of nine years as an Independent Non-Executive Director of the Company on 5 January 2023, be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company." *(Ordinary Resolution 10)*

10. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

Retention of Independent Director

"That Mr Chia Swee Yuen, who will be completing his term of nine years as an Independent Non-Executive Director of the Company on 1 May 2023, be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company." *(Ordinary Resolution 11)*

11. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

Proposed Establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of Issued Shares of Padini (excluding Treasury Shares, if any) for the Executive Directors and Employees of Padini and its subsidiaries (excluding subsidiaries which are dormant) ("Padini Group" or the "Group") ("Proposed ESOS")

"THAT subject to the approvals of all relevant authorities/parties, approval is given to the Board of Directors (**"Board"**) to undertake the proposed establishment of an ESOS involving up to 15% of the total number of issued shares of Padini (excluding treasury shares, if any) to enable the granting of new ordinary shares in Padini (**"Padini Shares"** or **"Shares"**) at any point in time to the Executive Directors and employees of Padini Group in accordance with the by-laws governing the ESOS (**"By-Laws"**) as set out in Appendix I of the Circular to Shareholders dated 26 October 2022, and to adopt and approve the By-Laws and to do all such acts, as may be necessary or expedient in order to give full effect to the Proposed ESOS; *(Ordinary Resolution 12)*

AND THAT the Board be and is hereby authorised to allot and issue from time to time such number of new Padini Shares as may be required pursuant to the exercise of the options under the Proposed ESOS (**"ESOS Options"**), provided that the aggregate number of new Shares to be allotted and issued shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS and such new Shares shall, upon allotment and issuance, rank equally in all respects with the existing issued shares of the Company, except that the new Shares so allotted and issued shall not be entitled to any dividends, rights, allotments and/or other forms of distribution, for which the entitlement date is prior to the date of allotment and issuance of such new Shares;

AND THAT the Board be and is hereby authorised to do all things necessary and make the necessary applications to Bursa Malaysia Securities Berhad (**"Bursa Securities"**) for the listing of and quotation for new Padini Shares that may, hereafter from time to time, be allotted and issued under the Proposed ESOS;

Notice of Annual General Meeting (Cont'd)

AND THAT the Board be and is hereby authorised to extend the duration of the ESOS, provided always that such extension of the ESOS made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years from the date on which the Proposed ESOS shall take effect following full compliance of all relevant requirements or such longer period as may be permitted by Bursa Malaysia Securities Berhad (**"Bursa Securities"**) or any other relevant authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting;

AND THAT the Board be and is hereby authorised to add, modify and/or amend the Proposed ESOS, By-Laws and all rules, regulations and administration relating to the Proposed ESOS and/or administration thereof, from time to time as may be permitted by the authorities or deemed necessary by the relevant regulatory authorities or the Board or ESOS Committee established to administer the Proposed ESOS, provided that such additions, modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws;

AND THAT the Board be and is hereby authorised to do all such acts and things and to execute all such documents and enter into all such transactions, arrangements and agreements, deeds or undertakings, to make such rules or regulations, or impose such terms and conditions or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient in order to give full effect to the Proposed ESOS and the terms of the By-Laws;

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 ("**the Act**"), to be read together with Clause 13 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered ESOS Options and/or any new shares ranking equally to the existing issued shares of the Company."

12. To consider and if thought fit, to pass the following ordinary resolutions, with or without modification :-

Proposed Allocation of ESOS Options to Executive Directors of Padini and Persons Connected with them pursuant to the Proposed ESOS

"THAT subject to the passing of Ordinary Resolution 12 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time during the duration of the Proposed ESOS, to offer and grant options to each of the executive directors and persons connected with them as named therein below:

1. Mr Yong Pang Chaun *(Ordinary Resolution 13)*
2. Ms Chong Chin Lin *(Ordinary Resolution 14)*
3. Mr Andrew Yong Tze How *(Ordinary Resolution 15)*
4. Mr Benjamin Yong Tze Jet *(Ordinary Resolution 16)*
5. Ms Chew Voon Chyn *(Ordinary Resolution 17)*
6. Ms Sung Fong Fui *(Ordinary Resolution 18)*
7. Mr Christopher Yong Tze Yao *(Ordinary Resolution 19)*

Notice of Annual General Meeting (Cont'd)

to subscribe for such number of Shares to be issued under the Proposed ESOS subject always to the following provisions:

(a) the aggregate number of Padini Shares which may be made available under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued Padini Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;

(b) not more than 10% of the total number of Shares to be issued under the Proposed 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 Padini Shares (excluding treasury shares, if any);

(c) not more than 50% of the total ESOS Options available under the Proposed ESOS shall be allocated, in aggregate, to the executive directors and senior management of the Group who are Eligible Persons;

(d) the executive directors and senior management of the Group who are Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any; and

(e) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS, the Main Market Listing Requirements of Bursa Securities and any prevailing guidelines issued by Bursa Securities, or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to allot and issue such number of new Shares arising from the exercise of the ESOS Options that may be granted to the abovementioned persons from time to time under the Proposed ESOS."

13. 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 41st 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 18 November 2022. Only a depositor whose name appears on the Record of Depositors as at 18 November 2022 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
26 October 2022

Notice of Annual General Meeting (Cont'd)

Notes:

(i) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting together with essential individuals in accordance with Note 1.2 of the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.

(ii) Shareholders/proxies from the public WILL NOT BE ALLOWED to attend the 41st AGM in person at the Broadcast Venue on the day of the meeting.

(iii) Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 41st AGM via the Remote Participation and Voting facilities ("RPV") provided by SS E Solutions Sdn. Bhd. in Malaysia via its Securities Services e-Portal ("SSeP") at https://sshsb.net.my/. In the event of any technical glitch, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded by the Chairman, Board of Directors and/or Management during the Meeting. Please follow the procedures for RPV in the Administrative Guide on 41st AGM.

(iv) 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.

(v) 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.

(vi) 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.

(vii) The instrument appointing a proxy must be completed and deposited at the office of the Poll Administrator, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 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 SSeP at https://sshsb.net.my/ 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 Company is seeking shareholders' approval for the payment of Directors' Fees for the financial year ending 30 June 2023 because moving forward the Company wishes to seek shareholders' approval on a prospective basis instead of a retrospective basis. A prospective basis provides a forward looking approach to setting the remuneration of Directors and is expected to be more meaningful in reflecting the ongoing contributions of Directors to the Board.

C. 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 2022 until the next Annual General Meeting of the Company to be held in the year 2023, are calculated based on the number of scheduled meetings for Board of Directors, Board Committees and general meetings of the Company.

Notice of Annual General Meeting (Cont'd)

EXPLANATORY NOTE ON SPECIAL BUSINESS

1. Retention of Independent Director

Ordinary Resolution 9, if passed, will enable Mr Foo Kee Fatt who was appointed on 2 January 2009 and has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to be retained as an Independent Non-Executive Director of the Company.

Mr Lee Peng Khoon and Mr Chia Swee Yuen, who were appointed on 6 January 2014 and 2 May 2014, respectively, will be completing their tenure of nine (9) years on 5 January 2023 and 1 May 2023, respectively. In line with the recommendation of the Malaysian Code on Corporate Governance (Practice 5.3), the Company is seeking shareholder's approval for their retention as Independent Non-Executive Directors of the Company beyond nine (9) years. Ordinary Resolutions 10 and 11, if passed, will enable Mr Lee and Mr Chia to be retained as Independent Non-Executive Directors of the Company.

The Board of Directors has vide the Nominating and Remuneration Committee conducted an assessment of independence on Mr Foo, Mr Lee and Mr Chia and recommended them to continue to act as Independent Non-Executive Directors based on the following justifications:-

Justifications

a) They have met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and are therefore able to give independent opinion to the Board;
b) Being directors for more than nine years has enabled them to contribute positively during deliberations/ discussions at meetings as they are familiar with and possesses knowledge of the Company's operations;
c) They have contributed sufficient time and exercised due care during their tenure as Independent Non-Executive Directors;
d) They have discharged their professional duties in good faith and also in the best interest of the Company and shareholders;
e) They have the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and
f) They have never compromised on their independent judgement.

2. Proposed ESOS

Ordinary Resolution 12, if passed, will give approval to the Company to establish an Employee Share Options Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) to enable the granting of new ordinary shares in the Company ("Padini Shares" or "Shares") at any point in time to the Executive Directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) in accordance with the by-laws governing the ESOS ("By-Laws") as set out in Appendix I of the Circular to Shareholders dated 26 October 2022 and to do all such acts, as may be necessary or expedient in order to give full effect to the Proposed ESOS, including the allotment and issuance of such number of new Padini Shares as may be required, pursuant to the exercise of the options under the Proposed ESOS. Ordinary Resolution 12, if passed, will exclude the statutory pre-emptive right of the Company's shareholders to be offered ESOS Options and/or any new Shares to be issued by the Company pursuant to the Proposed ESOS. Further details on Ordinary Resolution 12 are set out in the Circular to Shareholders dated 26 October 2022.

3. Proposed Allocation of ESOS Options to Executive Directors of Padini and Persons Connected with them pursuant to the Proposed ESOS

Ordinary Resolutions 13 to 19, if passed, will allow the Directors to offer and grant options to the executive directors and persons connected with them (as named in Ordinary Resolutions 13 to 19 above) to subscribe for such number of Shares to be issued under the Proposed ESOS.

Notice of Annual General Meeting (Cont'd)

STATEMENT ACCOMPANYING THE NOTICE OF THE 41ST 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 41st AGM are set out in the Directors' Profile of the Company's 2022 Annual Report. No individual other than the retiring Directors are seeking election as Directors at the 41st AGM.

The retiring Directors have been assessed by the Nominating and Remuneration Committee and the Board of Directors. The Directors were satisfied with the performance and contributions of the retiring Directors and have recommended them for re-election at the 41st AGM.

Corporate Information

CHAIRMAN
Mr Chia Swee Yuen

MANAGING DIRECTOR
Mr Yong Pang Chaun

DIRECTORS
Mr Andrew Yong Tze How
Mr Benjamin Yong Tze Jet
Ms Chong Chin Lin
Ms Chew Voon Chyn
Mr Foo Kee Fatt
Mr Lee Peng Khoon
Ms Sung Fong Fui
Ms Tan Shi Wen
Ms Tan Poh Ling
(appointed on 1 July 2022)

COMPANY SECRETARIES

Ms Ho Mun Yee
(SSM PC NO. : 201908003292)
(MAICSA 0877877)

Ms Cho Mei Tho
(SSM PC NO. : 201908003284)
(MAICSA 7036543)

AUDITORS

BDO PLT
Chartered Accountants

PRINCIPAL BANKER

OCBC Al-Amin Bank Berhad

REGISTERED OFFICE

3rd Floor
No. 17, Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel : 03 - 4044 3235
Fax : 03 - 4041 3959

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

SHARE REGISTRAR

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
Tel : 03 - 2783 9299
Fax : 03 - 2783 9222

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

Corporate Structure

PADINI

PADINI HOLDINGS BERHAD
197901005918 (50202-A)

100%
MIKIHOUSE CHILDREN'S WEAR SDN. BHD.
198701005814 (164485-U)

100%
PADINI CORPORATION SDN. BHD.
197501000569 (22159-H)

100%
SEED CORPORATION SDN. BHD.
199001002825 (194391-K)

100%
YEE FONG HUNG (MALAYSIA) SDN. BHD.
197301001498 (15011-U)

100%
PADINI DOT COM SDN. BHD.
200001007952 (510558-H)

100%
VINCCI LADIES' SPECIALTIES CENTRE SDN. BHD.
198101007288 (73404-H)

100%
VINCCI HOLDINGS SDN. BHD.
198301002408 (97644-K)

100%
THE NEW WORLD GARMENT MANUFACTURERS SDN. BHD.
198201000746 (80490-U)

100%
PADINI INTERNATIONAL LTD., HONG KONG
(896012)

100%
PADINI (CAMBODIA) CO., LTD.
(00026592)

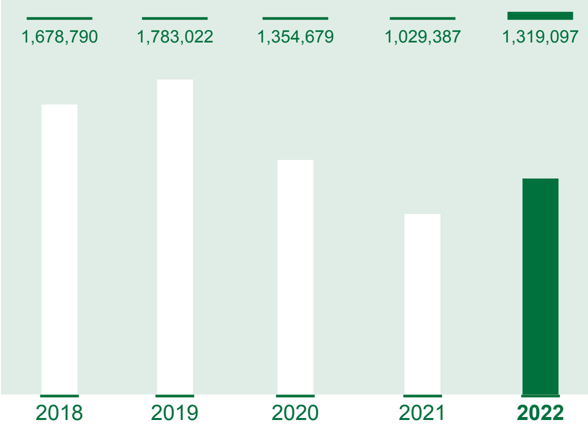
100%
PADINI (THAILAND) CO., LTD.
(0105561096612)

5-Year Group Financial Highlights

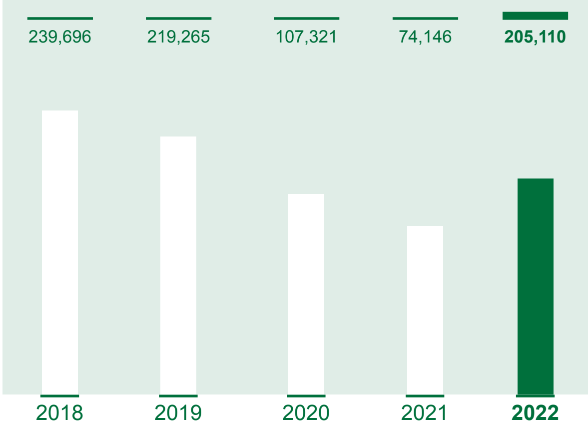
		2022	2021	2020	2019	2018
Revenue	(RM'000)	**1,319,097**	1,029,387	1,354,679	1,783,022	1,678,790
Profit before tax	(RM'000)	**205,110**	74,146	107,321	219,265	239,696
Profit attributable to equity holders of the Company	(RM'000)	**154,103**	54,057	75,174	160,166	178,174
Basic earnings per share based on profit attributable to equity shareholders	(Sen)	**23.42**	8.22	11.43	24.34	27.08
Net assets	(RM'000)	**891,050**	801,786	765,780	740,344	653,200
Net assets per share	(Sen)	**135.4**	121.9	116.4	112.5	99.3
Dividend per share	(Sen)	**10.0**	2.5	7.5	11.5	11.5
Increase/(Decrease) in revenue	(RM'000)	**289,710**	(325,292)	(428,343)	104,232	108,068
Increase/(Decrease) in revenue	(%)	**28.1**	(24.0)	(24.0)	6.2	6.9
Increase/(Decrease) in profit before tax	(RM'000)	**130,964**	(33,175)	(111,944)	(20,431)	26,507
Increase/(Decrease) in profit before tax	(%)	**176.6**	(30.9)	(51.1)	(8.5)	12.4
Increase/(Decrease) in profit attributable to equity holders	(RM'000)	**100,046**	(21,117)	(84,992)	(18,008)	20,786
Increase/(Decrease) in profit attributable to equity holders	(%)	**185.1**	(28.1)	(53.1)	(10.1)	13.2
Changes in basic earnings per share	(Sen)	**15.2**	(3.2)	(12.9)	(2.7)	3.2
Changes in basic earnings per share	(%)	**185.1**	(28.1)	(53.1)	(10.1)	13.2
Changes in net assets	(RM'000)	**89,264**	36,006	25,436	87,144	101,098
Changes in net assets	(%)	**11.1**	4.7	3.4	13.3	18.3
Changes in net assets per share	(Sen)	**13.5**	5.5	3.9	13.2	15.4
Changes in net assets per share	(%)	**11.1**	4.7	3.4	13.3	18.3
Changes in dividend per share	(Sen)	**7.5**	(5.0)	(4.0)	–	–
Changes in dividend per share	(%)	**300.0**	(66.7)	(34.8)	–	–

5-Year Group Financial Highlights (Cont'd)

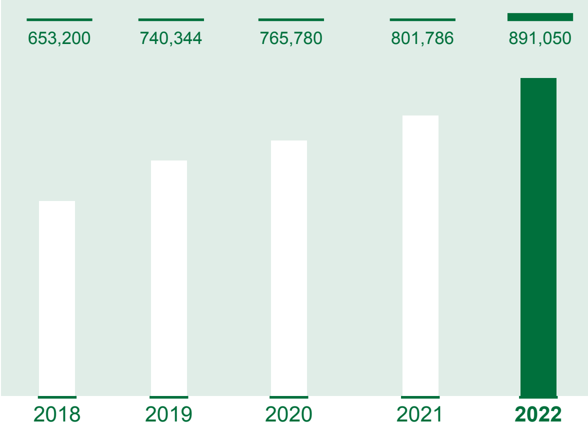
REVENUE (RM '000)



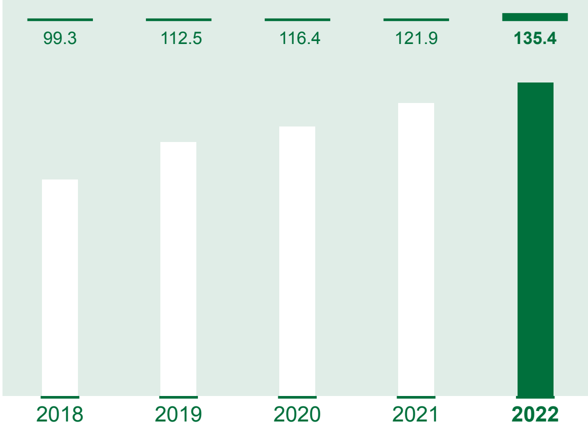
PROFIT BEFORE TAX (RM '000)



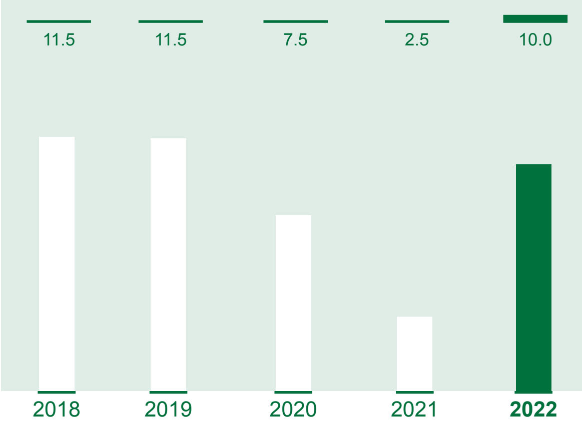
NET ASSETS (RM '000)



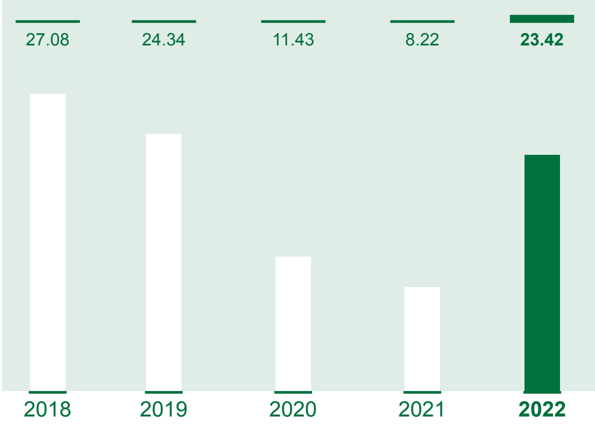
NET ASSETS PER SHARE (sen)



DIVIDEND PER SHARE (sen)



EARNING PER SHARE (sen)



Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the 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 2022.

GROUP PERFORMANCE OVERVIEW

The Group turned in a commendable performance in the financial year 2022 despite the challenging business climate. For the financial year under review, the Group achieved consolidated revenue of RM1.32 billion, which represented a growth of 28.1% over the previous year's revenue of RM1.03 billion as a result of the relaxation of lockdowns and the progress of vaccine roll-out which have increased the shopping malls foot traffic. In tandem with the top-line growth and increase in gross profit margin, profit before tax increased by 176.6% to RM205.1 million from RM74.1 million in the previous financial year.

Expediting vaccinations to achieving herd immunity has been a major prong to the re-opening of the economy although the evolution of new virulent Covid strains impeded the efforts somewhat. Consumer spending has been on a positive trend since August 2021 progressing toward the beginning of the transition to the Covid-19 endemic phase in Malaysia from April 2022, with less restrictions for businesses and Malaysia reopening its doors to international travelers.

Supply chain and logistics issues have continued to adversely affect market players. Guided by capable leadership, Padini has been able to mitigate some of these effects with the sustained efforts of dedicated staff and long term relationships built with customers, suppliers and other stakeholders.

The eruption of the Russian-Ukraine war was a jolt to the then recovering world economy. Resultant effects with significant increases in commodity prices, especially crude oil, gas, metals and food grains and oils, has spurred inflation globally. Malaysia's Gross Domestic Product ("GDP") has benefited significantly from the increases in commodity exports but inflationary effects have adversely affected disposable incomes and consumer sentiment and spending, especially on discretionary goods and services. Padini, to a large extent, operates in a segment of the consumer market that is less susceptible to the impact of these developments.

The following section on Management Discussion and Analysis discusses in more detail on Padini's performance and the risks and challenges the Group is exposed to.

FUTURE OUTLOOK

Continuing geopolitical tensions amongst the global powers have significant adverse effects on global economic growth, trade flows, supply chain disruptions, inflation, interest rates and currency volatility. The central banks of the major G7 countries have clearly demonstrated their resolve to stem inflation with significant interest rate increases to curtail demand for goods and services. Coupled with the energy crisis, especially in Europe, it is a major concern that weak, and possibly recessionary, economic conditions are triggered in many countries.

Looking inward, the Group's domestic operations continue to be the main driver of revenue and profits. Notwithstanding that the Government is anticipated to continue to implement the necessary measures to support the domestic economy, given the adverse global environment, increase in interest rates, inflation and rising prices, which affects consumers' purchasing power and lifestyle, the Group expects the outlook for the Malaysian economy for 2023 to be challenging.

The Group will remain vigilant and continue to implement measures to protect the health and safety of our employees and customers, control cost, optimising working capital, preserving cash and streamlining its operations to minimise the adverse impact. Good understanding of consumer needs, ability to deliver value and speed-to-market will continue to be critical success factors. These components have been ingrained into all areas of the marketing, merchandising and supply chain of the Group.

Chairman's Statement (Cont'd)

FUTURE OUTLOOK (CONT'D)

Compared to domestic operations, our overseas operations are relatively small. The Group will continue to monitor the overseas markets for opportunities to increase our market presence in Asia, especially ASEAN countries, although this may not be so imminent currently.

The Group is cautiously optimistic of successfully navigating through the challenging business environment and deliver long term value to shareholders.

STRENGTHENING THE BOARD

As part of the Board renewal process, Padini has brought in a new Independent Non-Executive Director, Ms Tan Poh Ling, who we are confident, will be able to positively contribute her skills, experience and views to further strengthen the bench strength in dealing with the future needs and sustainability of the Group. The Board of Directors wishes to extend a very warm welcome to Ms Tan.

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 thank my fellow Board members for their invaluable guidance and support to the Management.

Last but not least, I also want to acknowledge the hard work, dedication and commitment of employees across the Group, ranging from stores staff to those working in our office and overseas operations. Their continued contributions are key to our future success.

The Padini Group looks forward to being able to create more value for all the various stakeholders. May we continue to work together and forge ahead to achieve sustainable growth and success.

MR CHIA SWEE YUEN
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

The following management discussion and analysis is a review of the business and operation, discussion of the financial results and condition, performance of operating segments, risk and uncertainties and future outlook of Padini. 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 2022.

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' promise. 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. Growing new customers is a good way to grow and getting existing customer to return is the lifeblood of any business. Consumers always have high expectations and have their pick when 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. As always, a good understanding of consumers' needs, and speed of delivery are the utmost importance. The latest fashion trends need to be made available in store in the shortest time possible, at the right price, before it loses its appeal. 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 the efficiency and processes.

This Covid-19 pandemic has changed how we live and work. While we are confident on the longer term outlook, the immediate focus is on adapting to the change of 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.

Economies and societies are rapidly evolving. The pandemic had accelerated the digital transformation for retailers and in the post pandemic era, retailers need to continue to leverage the right technology to offer value-for-money products and services that can be purchased conveniently through multiple channels. Moving to digital and finding the right model for the online channel and distribution in the retail industry is a key success factor in digital retailing. This would require keeping sufficient stock, providing fast shipping with minimal shipping errors, creating an easy-to-navigate website and checkout process to stay competitive and keeping our customers happy. In this competitive landscape, having strong and responsive customer service in both retail stores and e-Commerce playing a vital role is essential. In addition, the rise in mobile internet usage has spurred the cashless revolution and digital retailing. A different shopping experience has evolved in Malaysia which had earlier started in other countries. The evolvement in digital retailing does not halt at one point and it continues to transform and change. Cognisant of these developments, Padini will continue to leverage technology on our business growth and setting business strategy.

However, we believe our customers appreciate the touch-n-feel and brick and mortar is an important platform to create wonderful experience which cannot happen in the digital world. We believe in working towards the direction that brick and mortar model and online retail model complement each other to provide a richer shopping experience for our customers.

We have expanded to Singapore via the digital retailing platform in last financial year. Although the contribution is relatively small during the year, we are still positive to the long term contribution from Singapore.

Management Discussion & Analysis (Cont'd)

FINANCIAL RESULTS AND BUSINESS REVIEW

Revenue and gross profit

For the financial year under review, the Group had done considerably well, despite the challenging business environment which was affected by health crisis. The Group achieved a commendable profit, recorded consolidated revenue of RM1.32 billion, representing an increase of 28.1% over the previous financial year's amount of RM1.03 billion. Gross profit margin increased by 0.6% in the current year under review. In line with the growth in revenue and gross profit, profit before taxation increased by approximately RM131.0 million or 176.6% from the previous financial year's RM74.1 million. Total comprehensive income for the financial year attributable to the owners of the Company increased by approximately 195.6% or RM102.6 million when compared to the amount of RM52.4 million achieved in the previous financial year.

Gross profit margin for the financial year has improved within the acceptable range. The margin moves up and down caused by many reasons including sales mix, type of promotion, type of product offer for sales, varied purchase cost and so on.

Other income

Other income of the Group mainly consists of 28.5% of interest income from local financial institution, 30.4% of rental rebates received as rent concession resulting from Covid-19 and 20.9% of wages subsidy received.

Other income of the Group decreased marginally by RM1.3 million or 3.2% from RM39.7 million to RM38.4 million. Due to the relaxing lockdown along with the transition to Covid-19 endemic phase, rental rebates received has reduced by RM4.6 million during the financial year under review.

Operating expenses

Operating expenses before finance cost for the financial year under review amounted to RM321.5 million (2021: RM333.9 million) which is lower by RM12.4 million or 3.7% as compared to last financial year. The decrease mainly due to the saving in salaries and employee incidentals expenses which is dropped by RM4.7 million resulting from the overall drop in headcounts. Another decrease in expenses is from lesser security personnel supplied by the outsourced security company which caused a drop in security expenses by RM3.2 mil.

As part of the strategy to maximise return on equity and streamline operation, there were eleven (11) stores closed in financial year 2021 as compared to three (3) stores closed in financial year 2022. This resulted in higher assets written off in last financial year and gave rise to a difference of RM2.2 million.

Finance costs

The Group's finance costs decreased to RM19.3 million from RM21.1 million mainly attributable to the reduction in interest expense on lease liabilities.

Tax expense

Tax expense of the Group increased from RM20.1 million to RM51.0 million which is in line with the increase in profit reported in 2022. The Group's effective tax rate in 2022 was 25% which is higher compared to statutory income tax rate of 24% mainly due to adjustments on certain non-deductible expenses.

Management Discussion & Analysis (Cont'd)

FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Retailing – Domestic and Abroad

The Group's domestic operations continued to be the main driver of its revenues and profits, and garments, shoes and fashion accessories remain as the main products of the Group.

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

In the multi-brand Padini Concept Stores 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. All the aforementioned brands are widely known by Malaysian consumers and are easily available in the major urban shopping malls in Malaysia. In addition to those, the Group also utilises a number of house brands to market the value-for-money merchandise that it offers for sale in its Brands Outlet stores.

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

Company	FYE 30.6.2022 (RM'million)	FYE 30.6.2021 (RM'million)	FYE 30.6.2020 (RM'million)
Vincci Ladies' Specialties Centre SB			
Revenue	120.9	114.0	169.7
Profit/(Loss) before Tax	19.8	(3.0)	16.1
Padini Corporation SB			
Revenue	460.2	340.0	440.1
Profit before Tax	71.9	25.5	41.4
Seed Corporation SB			
Revenue	117.1	91.1	119.0
Profit before Tax	15.9	5.1	5.9
Yee Fong Hung (M) SB			
Revenue	553.0	430.6	558.1
Profit before Tax	77.2	30.2	32.0
Mikihouse Children's Wear SB			
Revenue	28.6	25.9	30.2
Profit before Tax	6.0	3.3	5.0

All trading subsidiaries in the domestic market were in profitable position for the financial year 2022.

Management Discussion & Analysis (Cont'd)

FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Retailing – Domestic and Abroad (Cont'd)

The following table provides a summary of the Group's domestic retail network, broken down according to our brands, and markets, as at the various dates indicated.

Brands – Domestic Market	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
Vincci, Vincci Accessories, Vincci Mini			
Free-standing stores	13	12	15
Consignment counters	1	1	1
Seed			
Free-standing stores	1	1	1
Consignment counters	3	3	3
Padini Authentics			
Free-standing stores	2	2	2
Consignment counters	3	3	3
PDI			
Free-standing stores	9	9	9
Padini			
Free-standing stores	1	1	1
Consignment counters	2	2	2
Miki			
Consignment counters	1	1	1
Brands Outlet	52	49	55
Padini Concept Stores (Multi-brands)	45	46	48
Total	**133**	**130**	**141**

In the domestic sector, the Group had as at 30 June 2022, a total of one hundred thirty three (133) retail stores divided into twenty-six (26) single-brand stores, forty-five (45) Padini Concept Stores, fifty-two (52) Brands Outlet stores and ten (10) consignment counters. Except for six (6) Padini Concept Stores and six (6) Brands Outlet stores which are located in Sabah and Sarawak, the rest of the stores are located throughout Peninsular Malaysia.

The Group had in the financial year of 2022, opened two (2) Padini Concept Stores, three (3) Brands Outlet stores and one (1) Free-standing stores. There were three (3) Padini Concept Stores closed during the financial year as part of the strategy to maximise return on equity and streamline operation. There were two (2) stores temporarily closed for renovation and relocation purpose were reopened during the financial year.

As at 30 June 2022, the total gross floor area operated by the Group in Malaysia was about 1,387,000 square feet (2021: 1,350,000 square feet), of which 708,000 square feet (2021: 719,000 square feet) and 632,000 square feet (2021: 587,000 square feet) respectively were for the Padini Concept Stores and Brands Outlet stores, whilst the balance reflected the area covered by our single-brand stores.

For the overseas market, we either managed through licensees or managed by our own management. For own-managed overseas stores, products are sold through retail stores and external online portal such as Shopee and Facebook live.

Management Discussion & Analysis (Cont'd)

FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Retailing – Domestic and Abroad (Cont'd)

The following are own-managed overseas stores:-

	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
Cambodia			
Brands Outlet	2	2	2
Padini Concept Stores	2	2	2
Total	**4**	**4**	**4**
Thailand			
VNC	7	7	7

Revenue generated from own-managed overseas outlets accounted for about 2.8% of the Group's consolidated revenue, decreased by 0.2% as compared to 3.0% in financial year 2021. As at 30 June 2022, the total gross floor area operated by the own-managed overseas was about 53,000 square feet (2021: 53,000 square feet). There was no new opening and closure during the financial year under review.

Domestic operations accounted for about 96.0% of the Group's consolidated revenue in the financial year 2022, compared to 95.8% in the financial year 2021. Group revenue had increased by 28.1% or approximately RM289.7 million. In absolute value terms, sales generated from overseas markets had increased by approximately RM9.7 million from that recorded in the financial year 2021, mainly due to the increase in sales of own-managed oversea business.

The following are retail stores managed by licensees (Franchise stores), all these stores are selling shoes and fashion accessories carried under the Vincci (or VNC) label.

Locations	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
ASEAN:			
Brunei	1	1	1
Myanmar	3	3	3
Indonesia	–	–	8
UAE	15	14	15
Oman	4	3	3
Qatar	1	2	2
Bahrain	1	1	1
Total	**25**	**24**	**33**

Digital platform

We have embarked on the e-Commerce journey since end of 2015 and building from zero base with the objective to have a marketing channel ready to meet our customers' needs at the appropriate time. Lockdown restriction resulted from the catastrophic pandemic has had a profound impact on how customers behave which shaped the business platform to a new era.

Management Discussion & Analysis (Cont'd)

FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Digital platform (Cont'd)

Since the financial year 2020 and 2021, the Group had started selling its products via Facebook live, Lazada and Shopee platform for both domestic and own-managed overseas business. Online shopping has experienced a growth, but technology or digital is more than just shopping online, it is important to find a balance between reaching out to existing customers and attracting new customers by creating the brand awareness. The introduction of Padini Mobile App, helps the Group to continue to deliver better in-person shopping experience while maintaining social distancing of customers. In addition, the Group had involved in different social media channels for brand awareness such as Facebook, TikTok and Instagram.

We will continue to explore more online portals to sell our products. While the sales contribution to the Group revenue is minimal, this is an essential progression for regional expansion and bringing Padini into another level.

Financial Position Review

Total assets and liabilities of the Group stood at RM1.5 billion (2021: RM1.3 billion) and RM0.6 billion (2021: RM0.5 billion) respectively. Increase in total assets contributed by the increase in cash and bank balances which is in line with the increase in top-line sales. Total liabilities increase partly due to increase in payables due to higher accrued trade and non-trade expenses. There were higher purchasing activities as compared to last financial year, where full lockdown started since June 2021.

Liquidity Indicators

	As at 30.6.2022	As at 30.6.2021
Liquidity ratio	3.62	5.40
Acid test ratio	3.13	3.92
Interest bearing borrowings	RM0.4 million	RM0.7 million
Shareholders' funds	RM891 million	RM802 million
Gearing ratio	0.04%	0.08%

The Group's capital expenditure and working capital are mainly financed by cash generated from its operation. Liquidity ratio attempts to measure Group's ability to pay off its short-term debt obligations. This is done by comparing Group's current assets with its short-term liabilities. For a healthy and financially sound company, its acid test should exceed one (1). It means that the current assets are not highly dependent on inventories and the Group has the ability to pay its current liabilities as and when needed.

The Group has healthy liquidity indicators for both the financial years under review. Both liquidity ratios and acid test ratios indicate healthy cash reserve position and have improved over the year. The Group has been keeping relatively low level of liabilities for both the financial years under review. Gearing ratio has improved from 0.08% to 0.04% because of the reduction in total borrowings and profitability growth 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.

Management Discussion & Analysis (Cont'd)

RISKS AND UNCERTAINTIES

The Group's business activities, operations, financial results and growth prospects are subject to the risks and uncertainties in the market place that it operates. There are inherent risks arising from unfavorable changes in general economic and business condition and rising costs that could result in outcomes differing 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.

Economy uncertainty

The world is still undergoing the uncertainty of Covid-19 variant spread and inflationary pressures. The outlook for the domestic economy is projected to be challenging in 2022 and 2023. The impact on consumer spending will very much depend on the delicate balancing act of the Government in supporting the people via financial aids, 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 employment are the important elements in spending level and spending pattern.

Trading condition is expected to remain uncertain and challenging for retailers for the second half of 2022 and 2023. Downside risks include inflation, aftermath of Covid-19, rising trade war tensions, 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 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 that consumer has higher expectation on what a company is able to deliver, quality, value proposition, convenience, newness and innovation.

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 myriad 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 price and better value.

The country's competitive retail landscape is also witnessing 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 habit and purchase decision of consumer have also been greatly affected by new communication channels, especially social media, video streaming and peer reviews.

Management Discussion & Analysis (Cont'd)

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 number of product varieties, good quality of products and speedy supply. Poor management in this area is a big risk to the survival of the Group.

Beside keeping good relationship with existing good suppliers, sourcing new suppliers that are capable of meeting 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 evaluate 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 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 regular basis.

Health crisis uncertainty (Covid-19)

The Covid-19 pandemic has impacted the human life worldwide and presents an unprecedented challenge to public health. Adhering the workplace safety and health practices will be crucial in addressing the employees' health and safety.

Our upmost priorities are to safeguard the health and well-being of our employees as well as our customers. The Group has taken all appropriate measures proactively and adhered strictly to all standard operating procedures as laid out by the government.

DIVIDENDS

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

- a first interim dividend of 2.5 sen per ordinary share (single tier) amounting to RM16,447,737.11 for the financial year ended 30 June 2022 that was declared on 26 November 2021 and was paid on 31 December 2021.
- a second interim dividend of 2.5 sen per ordinary share (single tier) amounting to RM16,447,737.09 for the financial year ended 30 June 2022 that was declared on 23 February 2022 and was paid on 31 March 2022.
- a third interim dividend of 5.0 sen per ordinary share (single tier) amounting to RM32,895,475.00 for the financial year ended 30 June 2022 that was declared on 27 May 2022 and was paid on 30 June 2022.

The Board does not intend to establish a fixed dividend policy at this point of time. The Board strives to provide consistent dividend streams to shareholders whilst ensuring to retain flexibility of cash flows to meet its business operation needs as well as its expansion plan.

Management Discussion & Analysis (Cont'd)

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 in the event that 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 uncertain economic impact arising from the ongoing Covid-19 pandemic, inflation affecting consumer purchasing power and political instability. The Group remains optimistic on the long-term sustainability of the business and are focusing our effort to further rationalise the retail business by optimising the working capital and measures to control the operating costs while extending and exploring various sales channels.

For the new financial year, we have not finalised any plan on new store opening or closures in Malaysia, Cambodia and Thailand. We will actively monitor the market condition and evaluate our business strategy on regular basis to maximise the returns.

To maintain, if not be better than we are now, 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 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 improve the infrastructure for e-commerce. Developing new online shopping experience and enhance shopping convenience to our consumer is a continuous effort of the e-commerce division. We believe digital retailing of the Group will bring positive impact to the Group both as a complementary business channel and for future growth.

While we are not expecting major contribution from the stores and online platforms in Cambodia and Thailand, online sales to Singapore and our mobile app in the financial year 2023, we envisage the Group will continue to grow with strengthening our product quality and enhancing the buying experience of our customers.

2022 HIGHLIGHTS

BUSINESS HIGHLIGHTS

October 2021

Reopening (PCS Setia City)

Reopening (BO Setia City)

2022 Highlights (Cont'd)

December 2021

New opening (PCS Pavilion Bukit Jalil)

New opening (BO Pavilion Bukit Jalil)

New opening (BO Plaza Gurney)

June 2022

New opening (PCS Sunway Carnival, Penang)

New Opening (BO Sunway Carnival, Penang)

2022 Highlights (Cont'd)

SUSTAINABILITY HIGHLIGHTS

144 Own Stores Globally

Rm150 Million In Profit After Tax

Approximately **3,500** Cartons of Clothing Donated

Approx **2,800** Employees Globally

100% Employees Attended Training On The Whistleblowing Policy And Anti-Bribery And Anti-Corruption Policy

Approximately **RM574,000** (cash and in kind) Has Been Donated

Employee Wages & Benefits **RM123 million**

Payment To Governments (Tax) approximately **RM29 million**

Total Of **14 NGOs** Benefited

Total Accident **45%** ↓
Road Accident **48%** ↓

Biodegradable Plastics Bags At All Stores And Recycled Paper Bags At Vincci Stores

Decrease In Electricity Cost **14%**, Total **0.9** gWh Clean Energy Produced From Solar Installation

Approx **RM101,000** for all employees training

A Total Of Approx **RM77,600** Covid-19 Vaccination Incentives And **2,587** days off on vaccination To Employees.

Approximately 1,200 Unit Of Masks Donated to outsiders and **2,100** boxes of mask provided to employees

Donate

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/MCCG"), and is proactive to ensure Principles and Recommendations are practiced 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 of 2022.

The revised Malaysian Code on Corporate Governance issued on 28 April 2021 ("MCCG 2021") supersedes the Malaysian Code on Corporate Governance 2017. 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 Corporate Governance Guide ("CG Guide") issued by Bursa Securities during the financial year under review.

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 http://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 the 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 http://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 kept abreast on sustainability issues which are relevant to the Group's business operations, several training programs had 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

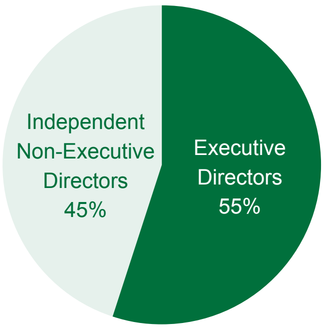
The Board is accountable and responsible for the overall performance and affairs of the Group by overseeing and appraising the Group's strategies and policies in achieving the objectives and long term goals of the Group.

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:-

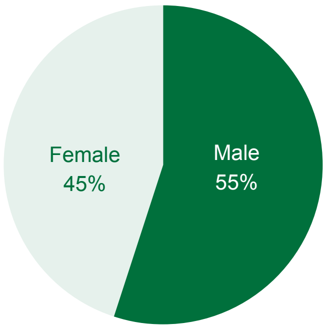
1. Establishing and reviewing the Group's long-term direction through formulation of business objectives and strategies.
2. Approving the Group's annual business plans, annual budget and carries out periodic review of the achievements by the various operating divisions against their respective business 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 whom may be affected by the Group's decision.

1.3 Composition, Independence and Diversity of the Board

Board Composition



Gender



There are currently eleven (11) members in the Board, comprising five (5) Independent Non-Executive Directors and six (6) Non-Independent Executive Directors. The current Board composition complies with the Listing Requirements but departed from MCCG 2021 in which the Board comprises a majority Non-Independent Directors. A brief profile of each Board member is as set out in the Annual Report 2022 "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 Mr Chia Swee Yuen, 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.

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 for 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.

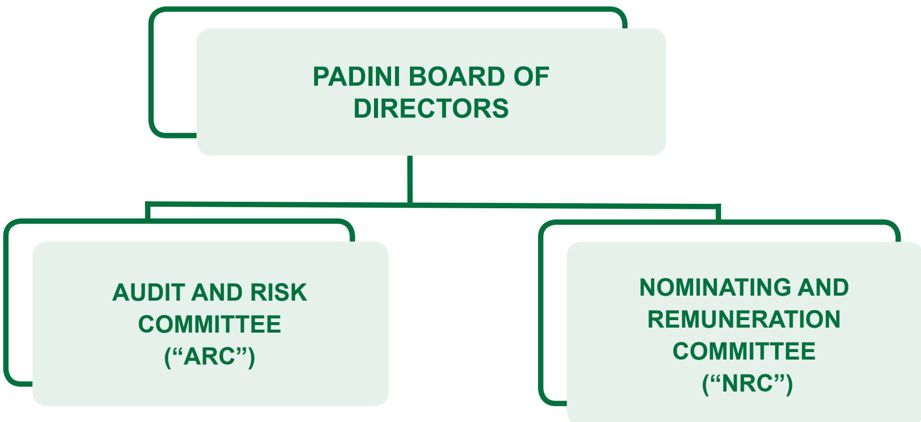
In line with the Government's aspiration to have at least 30% women representation in decision-making positions of Malaysian public companies, the Company currently has five (5) female members on the Board, representing more than 33% of the total Board Members. The Group also ensures diversity in its 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.

Mr Foo Kee Fatt has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years whilst Mr Lee Peng Khoon and Mr Chia Swee Yuen will be completing their tenure of nine (9) years as Independent Non-Executive Directors on 5 January 2023 and 1 May 2023 respectively. The Board has upon its assessment concluded that the length of service does not in any way interfere with the exercise of independent judgement and recommended the reappointment of Mr Foo Kee Fatt, Mr Lee Peng Khoon and Mr Chia Swee Yuen as Independent Non-Executive Directors for the shareholders' approval at the forthcoming Annual General Meeting of the Company.

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) Revision to the evaluation forms on the Performance of the Board, Audit and Risk Committee and its members including Assessment of the Independent Directors; and the Policy on the Nomination and Assessment of Board Members;
(2) Trainings attended by Directors to-date and their further training needs and requirements;
(3) Proposed appointment of Independent Directors;
(4) Extension of the period of service of an Executive Director;
(5) Retention of the Independent Director;
(6) Proposed re-election of Directors retiring at the Annual General Meeting in accordance with Clause 103(1) and Clause 110 of the Company's Constitution;
(7) Revision to the Board Remuneration Policy;
(8) Proposed revision of remuneration package of the Executive Directors;
(9) Proposed Directors' fee for the financial year ended 30 June 2022;
(10) Proposed Directors' Benefits payable for the financial year ended 30 June 2022;
(11) The Mid Year Report on Key Performance Indicators ("KPI") for the financial year 2021/2022; and
(12) KPI for the financial year 2022/2023.

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	Mr Chia Swee Yuen	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	Ms Chong Chin Lin	Executive Director	5/5
6	Ms Chew Voon Chyn	Executive Director	5/5
7	Mr Foo Kee Fatt	Independent Non-Executive Director	5/5
8	Mr Lee Peng Khoon	Independent Non-Executive Director	5/5
9	Ms Sung Fong Fui	Executive Director	5/5
10	Ms Tan Shi Wen	Independent Non-Executive Director	4/4 ^
11	Ms Tan Poh Ling	Independent Non-Executive Director	–*

^ Ms Tan Shi Wen was appointed to the Board on 21 September 2021
* Ms Tan Poh Ling was appointed to the Board on 1 July 2022

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 2022 are as follows:-

NO.	TRAINING/ COURSES	Mr Chia Swee Yuen	Mr Yong Pang Chaun	Ms Chong Chin Lin	Mr Foo Kee Fatt	Mr Lee Peng Khoon	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Ms Chew Voon Chyn	Ms Sung Fong Fui	Ms Tan Shi Wen
1	MIA : 2022 Budget Seminar				✓						
2	Alcom group : Corporate Liability on Corruption Under the MACC Act 2009 - Implications of Section 17A & developing adequate Procedures				✓						
3	CAN-ONE Berhad : The Updated Malaysian Code On Corporate Governance 2021 - Implications to the Company, its Directors, Management, Company Secretaries and Auditors				✓						
4	CTIM : Workshop on The Decision to Litigate - Tax Appeals and Choice of Forum				✓						

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	Mr Chia Swee Yuen	Mr Yong Pang Chaun	Ms Chong Chin Lin	Mr Foo Kee Fatt	Mr Lee Peng Khoon	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Ms Chew Voon Chyn	Ms Sung Fong Fui	Ms Tan Shi Wen
5	CTIM : National Tax Conference 2021				✓						
6	MIA : Financial & Debt Management Initiatives for SMEs and Individuals Amidst the COVID-19 Pandemic	✓									
7	AOB Conversation with Audit Committees	✓				✓				✓	
8	Deloitte : Insights into Integrated Reporting for Corporate Directors					✓					
9	MICPA : Tax Governance: It's Time to Embrace It					✓					
10	In House Programme : Sustainability in the Organisation		✓	✓	✓	✓	✓	✓	✓	✓	
11	BDO : Tax Budget 2021									✓	
12	MIA : IRFS Technical updates 2021									✓	
13	MIA : Audit Quality Enhancement Programme for SMPs									✓	

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

1. BOARD OF DIRECTORS (CONT'D)

1.7 Directors' Training (Cont'd)

NO.	TRAINING/ COURSES	Mr Chia Swee Yuen	Mr Yong Pang Chaun	Ms Chong Chin Lin	Mr Foo Kee Fatt	Mr Lee Peng Khoon	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Ms Chew Voon Chyn	Ms Sung Fong Fui	Ms Tan Shi Wen
14	ACCA Annual Virtual Conference 2022 : The Future of work for Accountants									✓	
15	MIA : Technical Updates Affecting Financial Reporting				✓						
16	In House Programme : From Integrated Reporting to Integrated Thinking Workshop	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17	Global Ethical Finance Initiative : Ethical Finance ASEAN 2022	✓									
18	MIA : Entering The 5G Era						✓				
19	ICDM : Mandatory Accreditation Programme										✓
20	ASB : Steward Leadership for Sustainability						✓				
21	FSCB : Assessing Your Organisational Culture						✓				

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 in order for the Group to benefit by attracting and retaining a high quality team.

A summary remuneration of the Directors for the financial year ended 2022 distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components are set out below in Ringgit Malaysia ("RM"):

Group

Director	Fees	Salaries & Bonuses	Statutory Contributions	Other Emoluments*	Total
Mr Chia Swee Yuen ^	110,000	–	–	5,000	115,000
Mr Yong Pang Chaun α	–	835,136	33,410	20,850	889,396
Mr Andrew Yong Tze How α	–	421,086	50,531	23,950	495,567
Mr Benjamin Yong Tze Jet α	–	421,086	50,531	13,700	485,317
Ms Chong Chin Lin α	–	548,664	21,947	31,150	601,761
Ms Chew Voon Chyn α	–	326,086	39,131	14,250	379,467
Mr Foo Kee Fatt ^	100,000	–	–	5,000	105,000
Mr Lee Peng Khoon ^	90,000	–	–	5,000	95,000
Ms Sung Fong Fui α	–	688,586	85,871	27,000	801,457
Ms Tan Shi Wen ^	62,222	–	–	4,000	66,222

Company

Director	Fees	Salaries & Bonuses	Statutory Contributions	Other Emoluments*	Total
Mr Chia Swee Yuen ^	110,000	–	–	5,000	115,000
Mr Foo Kee Fatt ^	100,000	–	–	5,000	105,000
Mr Lee Peng Khoon ^	90,000	–	–	5,000	95,000
Ms Tan Shi Wen ^	62,222	–	–	4,000	66,222

* Included in other emoluments are allowances and benefits-in-kind.
^ Independent Non-Executive Director
α Executive Director

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established by the Board to provide assistance to 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 Foo Kee Fatt, an Independent Non-Executive Director, and is not 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 enables 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 compliances 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.

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 inventors;
- The various disclosures and announcements on Bursa Securities' website including quarterly and annual results;
- The annual report;
- The AGM; and
- The Group's website, http://corporate.padini.com

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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 suitability of venue and timing of meeting and undertake other measures to encourage shareholder's participation in the meetings. Amidst the changes brought by the Covid-19 pandemic, Padini had held its virtual General Meeting for its last two financial reportings. We will be continuing to hold virtual General Meeting for this reporting period in view of priotising safety and general health of shareholders and staff, and not depleting the right of shareholders. 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 amendments of 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 of the top senior management's remuneration from an alternate perspective which is intended to achieve a similar outcome.

The 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 an 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 the 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 2022.

Composition of the Audit and Risk Committee

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

i. Mr Foo Kee Fatt (Independent Non-Executive Director; Chairman)
ii. Mr Lee Peng Khoon (Independent Non-Executive Director; Member)
iii. Mr Chia Swee Yuen (Independent Non-Executive Director; Member) resigned on 30 June 2022
iv. Ms Tan Shi Wen (Independent Non-Executive Director; Member)
v. Ms Tan Poh Ling (Independent Non-Executive Director; Member) appointed on 1 July 2022

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 2022 are as follows:-

Directors	Meetings attended by the Directors/ Total Number of Meetings held during the financial year ended 30 June 2022	% of Attendance
Mr Foo Kee Fatt	5/5	100%
Mr Lee Peng Khoon	5/5	100%
Mr Chia Swee Yuen	5/5^	100%^
Ms Tan Shi Wen	4/4α	100%α
Ms Tan Poh Ling	–*	–*

^ Mr Chia Swee Yuen resigned as a member of the Audit and Risk Committee on 30 June 2022
α Ms Tan Shi Wen was appointed as a member of the Audit and Risk Committee on 21 September 2021
* Ms Tan Poh Ling was appointed as a member of the Audit and Risk Committee on 1 July 2022

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 Annual Report and quarterly financial reports. The Committee reports its views to the Board to assist in its approval of the results announcements and the Annual Report.

The Committee also reviews reports by the Statutory Auditors on year-end audit procedures which highlight any issues identified from the work undertaken on the audit. The significant issues that the Committee considered in relation to the significant financial issue impacting Financial Statements 2022 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 judgments 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 for any related party transactions.

2. External Audit

- Reviewed with the statutory auditors, their audit plan for the financial year ended 30 June 2022 to ensure that their scope of work adequately covers the activities of the Groups;
- 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 auditor's report;
- The Audit and Risk Committee met with the statutory auditors twice 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 auditor 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 RM225,000 and BDO PLT's non-audit fees was RM6,500; 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 an 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. A resolution for their re-appointment will be tabled for approval at the forthcoming Annual General Meeting.

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:

  ➢ Sourcing and Quality Control Management
  ➢ Corporate Governance Practices and Risk Management Processes
  ➢ Merchandising Function for Brands Outlet
  ➢ Merchandising Function for Padini, Padini Authentics, PDI, MIKI, P&Co and Seed
  ➢ Retail Sales Operations for Brands Outlet
  ➢ Sales Operations for eCommerce

Report of the Audit and Risk Committee (Cont'd)

Summary of the Work of the Audit and Risk Committee (Cont'd)

3. Internal Audit (Cont'd)

- Reviewed the follow-up reports from the internal audit and to ensure the issues were appropriately addressed on a timely basis;
- The Audit and Risk Committee met 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; and
- 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; and
- Reviewed the report and updated 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 its findings to the Audit and Risk Committee. For detailed information, please refer to the Statement on Risk Management and Internal Control in the Annual Report of the Group.

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 reviews internal audit and monitors its relationship with the Internal Auditor, 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 auditor is RM62,000.

Statutory Auditor

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

The Statutory Auditor 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 Group'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, which is in line with globally accepted risk management standards. (i.e.ISO31000:2018). 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. Major potential risks have been discussed and reviewed by the Audit & Risk Committee and report to the Board of Directors on the 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 2022 to 2024 in August 2022 and involving eight (8) auditable areas whose risk impact have been assessed as between medium to high. The internal audit plan was subsequently tabled and adopted by the Audit and Risk Committee. The Audit and Risk Committee has subsequently 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 auditor engages with our managers and executives to find out about the policies and practices already in place for a selected process, performs tests, determines the adequacy and effectiveness of existing controls, and then presents a summary of observations requiring remedial measures together with recommendations for improvement to management for their response. Subsequent to management's response, an audit report is prepared and forwarded to the Audit and Risk Committee for consideration and deliberation with the internal auditors in attendance.

Acting on the audit report and the responses and opinions given by the internal auditor and management, the Audit and Risk Committee is then ready to bring the pertinent risk management or internal control issues to the Board for further consideration. Where the internal auditor's 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 auditor's recommendations, the Audit and Risk Committee and the Board then seeks a timeline for adoption and keeps 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 transaction 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 persons 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 on directly from the suppliers. A disinterested third party 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 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 has 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 review 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 Malaysia 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) and procedures have been performed to assess whether the Statement on Risk Management and Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the processes the Directors have adopted.

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 paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is 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 the 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 23 September 2022, 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.

Profile of Directors

Mr Chia Swee Yuen

65 years of age | Malaysian | Male

(Chairman of the Board, Member of the Audit and Risk Committee, Member of Nominating and Remuneration Committee, Independent Non-Executive Director). Resigned as member of the Audit and Risk Committee and Member of the Nominating and Remuneration Committee on 30 June 2022

Mr Chia was appointed to the Board on 2 May 2014.

He graduated from the University of Malaya with a Bachelor of Accounting (1st Class Hons). He is a member of the Malaysian Institute of Accountants ("MIA"). He was formerly a member of the Examination Committee of the Certified Credit Professional (Business) of the Asian Institute of Chartered Bankers ("AICB") (formerly known as Institut Bank-Bank Malaysia). In recognition of his contributions and services rendered to AICB and the banking Industry, he was elected by the Council as an Associate Fellow of AICB.

He started his career in 1980 with SGV-Kassim Chan Sdn Bhd, a management consultancy firm, conducting financial feasibility and marketing studies, review of operational processes and financial training.

From 1984 to 1987, he was with Malaysian Resources Corporation Berhad, a diversified listed group with businesses in the manufacturing, trading, credit & leasing, credit card, construction and property development areas, in charge of the corporate planning, accounting and tax, information technology and general administration areas.

Since 1988 up to his retirement in the financial year 2015, he has been with the banking sector, heading varied areas of marketing, branch management, credit evaluation, credit operations and risk management with Overseas Union Bank (M) Bhd and Ambank (M) Bhd. Customer segment handled is mainly in business banking.

Other than his directorship with Padini Holdings Berhad, he is also an independent non-executive director of New Hoong Fatt Holdings Berhad.

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

Mr Yong Pang Chaun

71 years of age | Malaysian | Male

(Managing Director and 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)

Ms Chong Chin Lin

69 years of age | Malaysian | Female
(Executive Director and Key Senior Management)

Ms Chong was appointed to the Board on 29 March 1995.

While still in the second year of her sixth form education, she was called upon to help in the family business which dealt in the wholesale and retail of fashion accessories and costume jewellery. After three years and gaining considerable experience in the trade, she left and joined a boutique retailing ladies fashion. After Vincci Ladies' Specialities Centre Sdn Bhd got incorporated in 1981, she joined the company as a merchandiser for ladies fashion wear and accessories. Since then she has been with the Group and has contributed much to the development of the Group's major brands like Seed, Padini Authentics and Miki.

When she was merchandiser for ladies fashion, she got involved in garment manufacturing operations and was able to later use this experience to oversee the Group's garment manufacturing operations.

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) meetings of the Board of Directors.

Mr Foo Kee Fatt

56 years of age | Malaysian | Male
(Chairman of the Audit and Risk Committee, Member of Nominating and Remuneration Committee, Independent Non-Executive Director)

Mr Foo was appointed to the Board on 2 January 2009.

He is a member of Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia. He is also an approved company auditor under the Malaysian Companies Act 2016.

In 1987, he joined and served his articleship with one of the reputable international accounting firms. From 1993 to 2006, he was with a local accounting firm with international affiliation. He is currently in public practice.

Other than his directorship with Padini Holdings Berhad, he is also an Independent Non-Executive Director of MMS Ventures Berhad, Can One Berhad and Box-Pak (Malaysia) Berhad.

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

Profile of Directors (Cont'd)

Mr Lee Peng Khoon

69 years of age | Malaysian | Male

(Chairman of Nominating and Remuneration Committee, Member of the Audit and Risk Committee, Senior Independent Non-Executive Director)

Mr Lee was appointed to the Board on 6 January 2014.

He qualified as a Chartered Accountant in 1978 in a London firm of chartered accountants. He is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in England & Wales.

On his return to Malaysia in 1981, he joined a big four auditing firm as an audit senior and later audit manager. He then held senior management positions in private and public companies that were involved in plantation, property development, credit financing, manufacturing & trading, countertrade and trade financing, investment holding and chartering & engineering in the oil and gas sector.

He is presently a self-employed general consultant.

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 Andrew Yong Tze How

41 years of age | Malaysian | Male

(Executive Director and 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.

Profile of Directors (Cont'd)

Mr Benjamin Yong Tze Jet

38 years of age | Malaysian | Male
(Executive Director and 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.

Ms Chew Voon Chyn

39 years of age | Malaysian | Female
(Executive Director and Key Senior Management)

Ms Chew was appointed to the Board on 20 February 2017.

She graduated from Parsons School of Design, New York with a Bachelor's Degree in Business Administration, majoring in Design & Management. She worked as a merchandising assistant in Calvin Klein Jeans, New York in year 2005.

She joined Vincci in August 2005 as Design & Merchandising Executive till July 2007. From August 2007 till June 2009, she was redesignated as Trend Developer cum Merchandiser, who managed the Research & Development department. She was promoted to Brand Manager for Vincci Accessories & Vincci + in July 2009 till December 2013. From January 2014 till present, she is the Brand Manager for the entire Vincci group.

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) meetings of the Board of Directors.

Profile of Directors (Cont'd)

Ms Sung Fong Fui

48 years of age | Malaysian | Female

(Executive Director and 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 is a member of the Malaysian Institute of Accountants and Fellow of Chartered Certified Accountant, UK.

She has more than eighteen (18) 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.

Other than her directorship with Padini Holdings Berhad, she is also an Independent Non-Executive Director of Supermax Corporation Berhad.

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

Ms Tan Shi Wen

35 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 Co-Head of Skrine's Competition Practice and has in-depth knowledge and experience in this area.

In addition to her legal career, Shi Wen 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 four (4) meetings of the Board of Directors.

Profile of Directors (Cont'd)

Ms Tan Poh Ling

52 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 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. She also serves on the board of Euro Holdings Berhad as Independent Non-Executive Director.

Other Information

i. ***Family Relationship***
Mr Yong Pang Chaun is the spouse of Ms Chong Chin Lin. Mr Andrew Yong Tze How and Mr Benjamin Yong Tze Jet are both sons of Mr Yong Pang Chaun and Ms Chong Chin Lin. Ms Chew Voon Chyn is the niece of Mr Yong Pang Chaun as well as cousin to Mr Andrew Yong Tze How and Mr Benjamin Yong Tze Jet. 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 2022.

ii. ***Conflict of Interest***
None of the Directors have any conflict of interest with the company.

iii. ***Convictions for offences***
None of the Directors have been convicted for offences within the past ten (10) 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 2022.

vi. ***Non-audit fee***
There was a non-audit fee of RM6,500 paid to BDO PLT and RM30,000 paid to BDO Tax Services 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 Director's Profile.

viii. ***Employee Share Option Sheme***
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 the eligible Executive Directors and Employees of Padini Group.

The Proposed ESOS involves the granting of ESOS options to the 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.

DIRECTORS' 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 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 judgments and estimates that are reasonable and prudent; and
- Making of judgments 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.

FINANCIAL STATEMENTS

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 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. 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 these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	154,103	99,402

DIVIDENDS

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

	Company RM'000
In respect of financial year ended 30 June 2022:	
First interim single tier dividend of 2.50 sen per ordinary share, paid on 31 December 2021	16,448
Second interim single tier dividend of 2.50 sen per ordinary share, paid on 31 March 2022	16,448
Third interim single tier dividend of 5.00 sen per ordinary share, paid on 30 June 2022	32,895
	65,791

The Directors do not recommend the payment of final dividend in respect of the current financial year.

On 26 August 2022, the Directors declared a first interim single tier dividend of 2.50 sen per ordinary share, amounting to RM16,448,000 in respect of the financial year ending 30 June 2023.

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.

Directors' Report (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

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

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
Chong Chin Lin
Chia Swee Yuen
Foo Kee Fatt
Lee Peng Khoon
Andrew Yong Tze How
Benjamin Yong Tze Jet
Chew Voon Chyn
Sung Fong Fui
Tan Shi Wen
Tan Poh Ling (Appointed on 1 July 2022)

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, Chong Chin Lin, Chia Swee Yuen and Andrew Yong Tze How retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 110 of the Company's Constitution, Tan Poh Ling retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

Directors' Report (Cont'd)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2022 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 1.7.2021	**Bought**	**Sold**	**Balance as at 30.6.2022**
Shares in the Company				
Direct interests				
Yong Pang Chaun	9,691,960	–	–	9,691,960
Chong Chin Lin	3,219,990	–	–	3,219,990
Benjamin Yong Tze Jet	–	112,800	–	112,800
Andrew Yong Tze How	–	20,000	–	20,000
Indirect interests				
Yong Pang Chaun	290,983,490	143,300	–	291,126,790
Chong Chin Lin	297,455,460	143,300	–	297,598,760
Chew Voon Chyn	5,000	–	–	5,000
Sung Fong Fui	10,000	25,000	–	35,000

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Yong Pang Chaun and Chong Chin Lin are 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 as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received by certain Directors 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' Report (Cont'd)

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2022 were as follows:

	Group RM'000	Company RM'000
Fees	362	362
Short term employee benefits	3,260	19
Contributions to defined contribution plans	281	–
	3,903	381

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of insurance premium paid for the Directors and the officers of the Group and of the Company are RM14,250.

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

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.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

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

(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 the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

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

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 June 2022 amounted to RM56,500 and RM175,000 respectively.

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
23 September 2022

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 63 to 119 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 2022 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
23 September 2022

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 63 to 119 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)
23 September 2022)

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 2022 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 a summary of significant accounting policies, as set out on pages 63 to 119.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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"), 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. Inventories written down and inventories written off

As at 30 June 2022, inventories of the Group were RM137,302,000. The details of the inventories have been disclosed in Note 13 to the financial statements. During the financial year, there were inventories written down and inventories written off recognised as cost of sales of RM77,000 and RM2,134,000 respectively.

Writing down and writing off of slow moving and obsolete inventories to their net realisable values are mainly based on management estimates, which have been derived from expectations on current market prices and future demand of which different expectations would impact the carrying amounts of the inventories and if not accounted for properly, may lead to the valuation of inventories being misstated. We have focused on this area as a key audit matter as this involves significant judgments and high degree of estimation uncertainty.

Independent Auditors' Report
To the members of Padini Holdings Berhad
(Cont'd)

Key Audit Matters (Cont'd)

1. Inventories written down and inventories written off (Cont'd)

Audit response

Our audit procedures included the following:

a. obtained an understanding of the process implemented by management over the determination of lower of cost and net realisable value used in the write down of slow moving inventories;

b. analysed and assessed the 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

c. ascertained inventories were stated at the lower of cost and net realisable value 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 2022, the Group had recognised right-of-use assets and lease liabilities for leases of the Group with carrying amounts of RM362,693,000 and RM391,245,000 respectively as disclosed in Note 6 to the financial statements. In addition, the Group had also recognised gain on reassessments and modifications of leases amounting to RM168,000.

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

Audit response

Our audit procedures included the following:

a. assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;

b. 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

c. 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
To the members of Padini Holdings Berhad
(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, IFRSs 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
To the members of Padini Holdings Berhad
(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 (Cont'd):

(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) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Ho Kok Khiaw
03412/02/2023 J
Chartered Accountant

Kuala Lumpur
23 September 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	76,126	79,458	43,919	45,359
Right-of-use assets	6	362,693	373,591	–	–
Intangible assets	7	3,271	3,805	–	–
Investment property	8	5,428	5,206	–	–
Investments in subsidiaries	9	–	–	274,677	274,677
Other investments	10	30,624	705	560	560
Amounts due from subsidiaries	11	–	–	–	3,978
Deferred tax assets	12	11,963	11,346	–	–
		490,105	474,111	319,156	324,574
Current assets					
Inventories	13	137,302	218,565	–	–
Trade and other receivables	14	56,460	47,634	144	126
Amounts due from subsidiaries	11	–	–	69,471	4,180
Current tax assets		1,311	10,415	–	–
Cash and bank balances	15	808,853	523,758	26,977	53,246
		1,003,926	800,372	96,592	57,552
TOTAL ASSETS		1,494,031	1,274,483	415,748	382,126
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	69,563	69,563	69,563	69,563
Reserves	17	821,487	732,223	345,313	311,702
TOTAL EQUITY		891,050	801,786	414,876	381,265

Statements of Financial Position As at 30 June 2022 (Cont'd)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	317,510	317,087	–	–
Provision for restoration costs	18	7,826	6,622	–	–
Provision for employee benefits	19	53	47	–	–
Deferred tax liabilities	12	530	600	–	–
		325,919	324,356	–	–
Current liabilities					
Trade and other payables	20	178,283	61,658	748	631
Contract liabilities	21	7,727	7,873	–	–
Lease liabilities	6	73,735	76,449	–	–
Provision for restoration costs	18	1,864	2,102	–	–
Current tax liabilities		15,453	259	124	230
		277,062	148,341	872	861
TOTAL LIABILITIES		602,981	472,697	872	861
TOTAL EQUITY AND LIABILITIES		1,494,031	1,274,483	415,748	382,126

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 2022

		[----------- Group -----------]		[----------- Company -----------]	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	24	1,319,097	1,029,387	96,800	–
Cost of sales	25	(811,584)	(639,917)	–	–
Gross profit		507,513	389,470	96,800	–
Other income		38,395	39,681	6,411	7,151
Selling and distribution costs		(259,629)	(266,034)	–	–
Administrative expenses		(61,826)	(67,871)	(2,674)	(3,448)
Profit from operations		224,453	95,246	100,537	3,703
Finance costs	26	(19,343)	(21,100)	–	(30)
Profit before tax	27	205,110	74,146	100,537	3,673
Tax expense	29	(51,007)	(20,089)	(1,135)	(1,238)
Profit for the financial year		154,103	54,057	99,402	2,435
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	29(d)	952	(1,603)	–	–
Total other comprehensive income/(loss), net of tax		952	(1,603)	–	–
Total comprehensive income		155,055	52,454	99,402	2,435
Earnings per ordinary share (sen)					
- Basic and diluted	31	23.42	8.22		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Group	Note	[-------- Non-distributable	--------]	Distributable	
		Share capital RM'000	Exchange translation differences RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2020		69,563	6,355	689,862	765,780
Profit for the financial year		–	–	54,057	54,057
Foreign currency translations, net of tax		–	(1,603)	–	(1,603)
Total comprehensive (loss)/income		–	(1,603)	54,057	52,454
Transaction with owners					
Dividend paid	30	–	–	(16,448)	(16,448)
Total transaction with owners		–	–	(16,448)	(16,448)
Balance as at 30 June 2021		69,563	4,752	727,471	801,786
Group					
Balance as at 1 July 2021		69,563	4,752	727,471	801,786
Profit for the financial year		–	–	154,103	154,103
Foreign currency translations, net of tax		–	952	–	952
Total comprehensive income		–	952	154,103	155,055
Transaction with owners					
Dividends paid	30	–	–	(65,791)	(65,791)
Total transaction with owners		–	–	(65,791)	(65,791)
Balance as at 30 June 2022		69,563	5,704	815,783	891,050

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Company	Note	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2020		69,563	325,715	395,278
Profit for the financial year		–	2,435	2,435
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	2,435	2,435
Transaction with owners				
Dividend paid	30	–	(16,448)	(16,448)
Total transactions with owners		–	(16,448)	(16,448)
Balance as at 30 June 2021		69,563	311,702	381,265
Profit for the financial year		–	99,402	99,402
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	99,402	99,402
Transaction with owners				
Dividends paid	30	–	(65,791)	(65,791)
Total transaction with owners		–	(65,791)	(65,791)
Balance as at 30 June 2022		69,563	345,313	414,876

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		205,110	74,146	100,537	3,673
Adjustments for:					
Amortisation of intangible assets	7	1,326	1,408	–	–
Bad debts written off	27	9	14	–	–
Deposits written off	27	12	–	–	–
Depreciation of property, plant and equipment	5	19,198	25,678	1,440	1,446
Depreciation of right-of-use assets	6.1	95,994	97,244	–	–
Dividend income	24	–	–	(96,800)	–
Fair value adjustments on investment property	8	32	(608)	–	–
Gain on reassessments and modifications of leases	6.1	(168)	(2,849)	–	–
Gain on disposals of property, plant and equipment, net	27	(133)	(10)	–	–
Intangible assets written off	7	–	10	–	–
Interest expense		19,210	21,012	–	30
Interest income	27	(10,956)	(7,844)	(1,177)	(1,764)
Inventory losses	13	2,652	1,768	–	–
Inventories written off	13	2,134	2,384	–	–
Inventories written back, net		(3,641)	(3,012)	–	–
Other investment written off	27	81	–	–	–
Property, plant and equipment written off		118	2,317	–	–
Reversal of provision for restoration costs	18(b)	(2,536)	(3,128)	–	–
Rent concessions	6.1	(11,681)	(16,285)	–	–
Unrealised (gain)/loss on foreign exchange, net		(3,085)	1,974	(255)	850
Operating profit before changes in working capital		313,676	194,219	3,745	4,235
Decrease in inventories		80,481	53,701	–	–
(Decrease)/Increase in contract liabilities		(146)	871	–	–
(Increase)/Decrease in trade and other receivables		(8,814)	1,296	(18)	13
Increase/(Decrease) in trade and other payables		116,107	(30,067)	117	(2)
Cash generated from operations		501,304	220,020	3,844	4,246
Tax paid		(28,320)	(35,643)	(1,241)	(1,124)
Tax refunded		1,000	1,618	–	–
Net cash from operating activities		473,984	185,995	2,603	3,122

Statements of Cash Flows
For The Financial Year Ended 30 June 2022
(Cont'd)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from subsidiaries		–	–	32,000	–
Interest received		10,956	7,844	1,177	1,764
Placement of investment in funds		(30,000)	–	–	–
Proceeds from disposal of:					
- property, plant and equipment		135	11	–	–
Purchase of:					
- intangible assets	7	(789)	(605)	–	–
- property, plant and equipment	5(b)	(15,691)	(5,014)	–	–
Repayments from subsidiaries		–	–	3,742	3,016
Net cash (used in)/from investing activities		(35,389)	2,236	36,919	4,780
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	30	(65,791)	(16,448)	(65,791)	(16,448)
Interest paid		–	(30)	–	(30)
Lease interest paid	6.2	(18,078)	(20,121)	–	–
Repayments of:					
- lease liabilities	6.2	(72,688)	(67,992)	–	–
- term loan		–	(1,619)	–	(1,619)
Net cash used in financing activities		(156,557)	(106,210)	(65,791)	(18,097)
Net increase/(decrease) in cash and cash equivalents		282,038	82,021	(26,269)	(10,195)
Effects of exchange rate fluctuations on cash and cash equivalents		3,057	263	–	–
Cash and cash equivalents at beginning of financial year		523,758	441,474	53,246	63,441
Cash and cash equivalents at end of financial year	15	808,853	523,758	26,977	53,246

Statements Of Cash Flows For The Financial Year Ended 30 June 2022 (Cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM'000
At 1 July 2021	393,536
Cash flows	
- Lease interest paid	(18,078)
- Repayment of lease liabilities	(72,688)
Non-cash flows	
- Additions	45,688
- Interest expenses	18,078
- Lease reassessments and modifications	35,876
- Rent concessions	(11,681)
- Translation adjustments	514
At 30 June 2022	391,245

Group	Lease liabilities (Note 6) RM'000	Term loan RM'000
At 1 July 2020	521,397	1,619
Cash flows		
- Lease interest paid	(20,121)	–
- Repayment of lease liabilities	(67,992)	–
- Repayment of term loan	–	(1,619)
Non-cash flows		
- Additions	13,420	–
- Interest expenses	20,121	–
- Lease reassessments and modifications	(56,214)	–
- Rent concessions	(16,285)	–
- Translation adjustments	(790)	–
At 30 June 2021	393,536	–

Company	Term loan RM'000
At 1 July 2020	1,619
Cash flows	(1,619)
At 30 June 2021	–

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 2022 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, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 23 September 2022.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. 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 these activities 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”), International Financial Reporting Standards (“IFRSs”) 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 new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34.1 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 investment in shares of the subsidiaries.

ii) Apparels and footwear

Promoting and marketing fashionable apparels, footware 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 are 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 lines 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 period to acquire segment assets that are expected to be used for more than one year.

Notes to the Financial Statements (Cont'd)

4. OPERATING SEGMENTS (CONT'D)

2022	Investment holding RM'000	Apparels and footwear RM'000	Management service RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
Total revenue	96,800	1,331,788	84,358	–	–	1,512,946
Inter-segment revenue	(96,800)	(12,691)	(84,358)	–	–	(193,849)
Revenue from external customers	–	1,319,097	–	–	–	1,319,097
Interest income	1,177	8,877	1,258	3	(359)	10,956
Finance costs	–	(19,672)	(10,220)	(1)	10,550	(19,343)
Net finance income/(expense)	1,177	(10,795)	(8,962)	2	10,191	(8,387)
Depreciation of property, plant and equipment	(1,440)	(15,841)	(1,842)	(312)	237	(19,198)
Depreciation of right-of-use assets	–	(95,448)	(541)	(5)	–	(95,994)
Amortisation of intangible assets	–	(199)	(1,127)	–	–	(1,326)
Segment profit/(loss) before tax	100,537	192,195	9,723	(921)	(96,424)	205,110
Income tax expense	(1,135)	(47,641)	(2,224)	(10)	3	(51,007)
Other material non-cash items:						
- Inventory losses	–	(2,652)	–	–	–	(2,652)
- Inventories written off	–	(2,134)	–	–	–	(2,134)
- Property, plant and equipment written off	–	(93)	(25)	–	–	(118)
- Rent concessions	–	11,681	–	–	–	11,681
- Gain on reassessments and modifications of leases	–	164	4	–	–	168
- Net inventories written back	–	3,641	–	–	–	3,641
- Reversal of provision for restoration costs	–	2,536	–	–	–	2,536
Additions to non-current assets other than financial instruments and deferred tax assets	–	62,903	2,158	–	(3)	65,058
Segment assets	415,748	1,353,550	337,823	32,528	(645,618)	1,494,031
Segment liabilities	872	660,850	285,156	66	(343,963)	602,981

4. OPERATING SEGMENTS (CONT'D)

2021	Investment holding RM'000	Apparels and footwear RM'000	Management service RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
Total revenue	–	1,045,502	82,874	–	–	1,128,376
Inter-segment revenue	–	(16,115)	(82,874)	–	–	(98,989)
Revenue from external customers	–	1,029,387	–	–	–	1,029,387
Interest income	1,764	5,604	1,048	2	(574)	7,844
Finance costs	(30)	(21,608)	(11,219)	(1)	11,758	(21,100)
Net finance income/(expense)	1,734	(16,004)	(10,171)	1	11,184	(13,256)
Depreciation of property, plant and equipment	(1,446)	(21,750)	(2,406)	(311)	235	(25,678)
Depreciation of right-of-use assets	–	(96,658)	(579)	(7)	–	(97,244)
Amortisation of intangible assets	–	(308)	(1,100)	–	–	(1,408)
Segment profit/(loss) before tax	3,673	56,996	7,413	(481)	6,545	74,146
Income tax expense	(1,238)	(16,849)	(1,984)	(21)	3	(20,089)
Other material non-cash items:						
- Inventory losses	–	(1,768)	–	–	–	(1,768)
- Inventories written off	–	(2,384)	–	–	–	(2,384)
- Property, plant and equipment written off	–	(2,160)	(157)	–	–	(2,317)
- Rent concessions	–	16,285	–	–	–	16,285
- Gain on reassessments and modifications of leases	–	2,849	–	–	–	2,849
- Net inventories written back	–	3,012	–	–	–	3,012
- Reversal of provision for restoration costs	–	3,128	–	–	–	3,128
Additions to non-current assets other than financial instruments and deferred tax assets	–	20,198	1,313	42	(6)	21,547
Segment assets	382,126	1,125,625	281,055	32,727	(547,050)	1,274,483
Segment liabilities	861	480,220	236,560	74	(245,018)	472,697

Notes to the Financial Statements (Cont'd)

4. OPERATING SEGMENTS (CONT'D)

Geographical segments

In presenting on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated and segment assets are based on the geographical location of the assets of the Group.

	Revenue		Non-current assets*	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Malaysia	1,266,165	986,153	420,206	429,935
Asia (excluding Malaysia)	52,932	43,234	27,312	32,125
	1,319,097	1,029,387	447,518	462,060

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.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings on freehold RM'000	Building on leasehold land RM'000	Motor vehicles RM'000	Furniture and fixtures RM'000	Office equipment and tools RM'000	Total RM'000
At cost							
Balance as at 1 July 2021	12,240	42,861	7,991	2,024	175,042	105,687	345,845
Additions	–	–	–	277	9,005	6,409	15,691
Disposal	–	–	–	(973)	(2)	(7)	(982)
Written off	–	–	–	–	(6,757)	(3,534)	(10,291)
Translation adjustments	–	–	392	–	278	247	917
Balance as at 30 June 2022	12,240	42,861	8,383	1,328	177,566	108,802	351,180
Accumulated depreciation							
Balance as at 1 July 2021	–	10,736	2,745	2,008	161,924	88,974	266,387
Charge for the financial year	–	857	299	67	9,215	8,760	19,198
Disposal	–	–	–	(973)	(2)	(5)	(980)
Written off	–	–	–	–	(6,742)	(3,431)	(10,173)
Translation adjustments	–	–	145	–	277	200	622
Balance as at 30 June 2022	–	11,593	3,189	1,102	164,672	94,498	275,054
Carrying amount							
Balance as at 30 June 2022	12,240	31,268	5,194	226	12,894	14,304	76,126

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Buildings on freehold RM'000	Building on leasehold land RM'000	Motor vehicles RM'000	Furniture and fixtures RM'000	Office equipment and tools RM'000	Total RM'000
At cost							
Balance as at 1 July 2020	12,240	42,861	8,261	2,303	184,150	109,752	359,567
Additions	–	–	–	–	2,958	2,056	5,014
Disposal	–	–	–	(279)	(9)	(2)	(290)
Written off	–	–	–	–	(11,635)	(5,880)	(17,515)
Translation adjustments	–	–	(270)	–	(422)	(239)	(931)
Balance as at 30 June 2021	12,240	42,861	7,991	2,024	175,042	105,687	345,845
Accumulated depreciation							
Balance as at 1 July 2020	–	9,879	2,532	2,224	159,335	82,605	256,575
Charge for the financial year	–	857	294	63	13,684	10,780	25,678
Disposal	–	–	–	(279)	(9)	(1)	(289)
Written off	–	–	–	–	(10,875)	(4,323)	(15,198)
Translation adjustments	–	–	(81)	–	(211)	(87)	(379)
Balance as at 30 June 2021	–	10,736	2,745	2,008	161,924	88,974	266,387
Carrying amount							
Balance as at 30 June 2021	12,240	32,125	5,246	16	13,118	16,713	79,458

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 2021/30 June 2022	12,240	41,696	3,457	4,699	62,092
Accumulated depreciation					
Balance as at 1 July 2021	–	10,084	3,457	3,192	16,733
Charge for the financial year	–	834	–	606	1,440
Balance as at 30 June 2022	–	10,918	3,457	3,798	18,173
Carrying amount					
Balance as at 30 June 2022	12,240	30,778	–	901	43,919

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 2020/30 June 2021	12,240	41,696	3,457	4,699	62,092
Accumulated depreciation					
Balance as at 1 July 2020	–	9,250	3,457	2,580	15,287
Charge for the financial year	–	834	–	612	1,446
Balance as at 30 June 2021	–	10,084	3,457	3,192	16,733
Carrying amount					
Balance as at 30 June 2021	12,240	31,612	–	1,507	45,359

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except for freehold land are stated at cost less any 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
Building on leasehold land	25 years
Motor vehicles	5 years
Furniture and fixtures	3 - 5 years
Office equipment and tools	4 - 5 years

Freehold land has unlimited useful life and is not depreciated.

(b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash payments on purchase of property, plant and equipment	15,691	5,014	–	–

(c) In the previous financial year, certain freehold land and buildings on freehold land had been pledged as securities to banks for financing facilities granted to the Group and the Company with carrying amounts as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Freehold land	–	4,892	–	4,892
Buildings on freehold land	–	15,461	–	15,461
	–	20,353	–	20,353

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

6.1 Right-of-use assets

Group	Balance as at 1 July 2021 RM'000	IFRIC 1 adjustments RM'000	Additions RM'000	Depreciation RM'000	Lease reassessments and modifications RM'000	Translation adjustments RM'000	Balance as at 30 June 2022 RM'000
Carrying amounts							
Retail shop, signage and storage spaces	367,785	–	45,688	(92,632)	36,427	466	357,734
Apartment	20	–	–	(20)	–	–	–
Office equipment	1,355	–	–	(745)	1	1	612
Renovation cost	3,707	311	2,579	(2,296)	(384)	7	3,924
Motor vehicles	724	–	–	(301)	–	–	423
	373,591	311	48,267	(95,994)	36,044	474	362,693

Group	Balance as at 1 July 2020 RM'000	IFRIC 1 adjustments RM'000	Additions RM'000	Depreciation RM'000	Lease reassessments and modifications RM'000	Translation adjustments RM'000	Balance as at 30 June 2021 RM'000
Carrying amounts							
Retail shop, signage and storage spaces	501,150	–	12,969	(93,527)	(52,176)	(631)	367,785
Apartment	537	–	–	(341)	(176)	–	20
Office equipment	1,635	–	451	(785)	54	–	1,355
Renovation cost	4,553	(241)	2,749	(2,274)	(1,067)	(13)	3,707
Motor vehicles	1,041	–	–	(317)	–	–	724
	508,916	(241)	16,169	(97,244)	(53,365)	(644)	373,591

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 are initially measured at cost, which comprise 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 re-measurement 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 - 14 years
Apartment	1.5 - 3 years
Office equipment	2 - 6 years
Renovation cost	1 - 14 years
Motor vehicles	5 years

(b) The Group has certain leases of retail shop, signage and storage spaces with lease term of 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 the amounts recognised in profit or loss:

	Group	
	2022 RM'000	**2021 RM'000**
Depreciation charge of right-of-use assets (included in administrative expenses)	306	324
Depreciation charge of right-of-use assets (included in selling and distribution costs)	95,688	96,920
Interest expense on lease liabilities (included in finance costs)	18,078	20,121
Expense relating to short-term leases (included in administrative expenses)	69	30
Expense relating to short-term leases (included in selling and distribution costs)	128	902
Expense relating to leases of low-value assets (included in administrative expenses)	1	1
Expense relating to leases of low-value assets (included in selling and distribution costs)	49	51
Gain on reassessments and modifications of leases	(168)	(2,849)
Variable lease payments:		
- arising from COVID-19 related rent concessions (included in other income)	(11,681)	(16,285)
- others (included in selling and distribution expenses)	29,670	20,228
	132,140	119,443

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 are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Included in net cash from operating activities:		
Payment relating to short-term leases	197	932
Payment relating to low value assets	50	52
Payment relating to variable lease payments not included in the measurement of lease liabilities	29,670	20,228
	29,917	21,212
Included in net cash from financing activities:		
Interest paid in relation to lease liabilities	18,078	20,121
Payment of lease liabilities	72,688	67,992
	90,766	88,113
	120,683	109,325

(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	
	2022 RM'000	**2021 RM'000**
Additions of right-of-use assets	48,267	16,169
Provision for restoration costs capitalised	(2,579)	(2,749)
Lease liabilities	(45,688)	(13,420)
Cash payments on purchase of right-of-use assets	–	–

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	
	2022 RM'000	**2021 RM'000**
Represented by:		
Current liabilities	73,735	76,449
Non-current liabilities	317,510	317,087
	391,245	393,536
Lease liabilities owing to financial institution	379	653
Lease liabilities owing to non-financial institutions	390,866	392,883
	391,245	393,536

(a) The Group leases a number of retail shop, signage and storage spaces, apartment, office equipment and motor vehicles that run between 1 year to 14 years, with an option to renew the lease after that date.

(b) The movements of lease liabilities during the financial year are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Balance as at 1 July 2021/2020	393,536	521,397
Additions	45,688	13,420
Payments of lease liabilities	(72,688)	(67,992)
Payments of lease interest	(18,078)	(20,121)
Interest expenses	18,078	20,121
Lease reassessments and modifications	35,876	(56,214)
Rent concessions	(11,681)	(16,285)
Translation adjustments	514	(790)
Balance as at 30 June 2022/2021	391,245	393,536

(c) 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 amounts of the lease liabilities 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)

(d) The following table sets out the carrying amount, 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 1 year RM'000	One to two years RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
30 June 2022						
Lease liabilities						
Fixed rates	3.50 - 9.51	73,735	72,292	176,534	68,684	391,245
30 June 2021						
Lease liabilities						
Fixed rates	3.50 - 9.51	76,449	63,850	164,578	88,659	393,536

(e) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset 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.

(f) 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 as follows:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
30 June 2022				
Lease liabilities	88,931	280,140	73,391	442,462
30 June 2021				
Lease liabilities	92,328	264,307	95,749	452,384

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 agreement on an investmentproperty for terms of between one (1) to two (2) years.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Less than one (1) year	101	97

7. INTANGIBLE ASSETS

Group	**System, applications and products RM'000**	**Computer software RM'000**	**Total RM'000**
At cost			
Balance as at 1 July 2021	7,030	10,042	17,072
Additions	–	789	789
Translation adjustments	–	10	10
Balance as at 30 June 2022	7,030	10,841	17,871
Accumulated amortisation			
Balance as at 1 July 2021	5,196	8,071	13,267
Charge for the financial year	469	857	1,326
Translation adjustments	–	7	7
Balance as at 30 June 2022	5,665	8,935	14,600
Carrying amount			
Balance as at 30 June 2022	1,365	1,906	3,271

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 2020	7,030	9,506	16,536
Additions	–	605	605
Written off	–	(42)	(42)
Translation adjustments	–	(27)	(27)
Balance as at 30 June 2021	7,030	10,042	17,072
Accumulated amortisation			
Balance as at 1 July 2020	4,727	7,174	11,901
Charge for the financial year	469	939	1,408
Written off	–	(32)	(32)
Translation adjustments	–	(10)	(10)
Balance as at 30 June 2021	5,196	8,071	13,267
Carrying amount			
Balance as at 30 June 2021	1,834	1,971	3,805

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less any 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 life 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

	Group	
	2022 RM'000	**2021 RM'000**
Workshop, at valuation		
Balance as at 1 July 2021/2020	5,206	4,750
Fair value adjustments	(32)	608
Translation adjustments	254	(152)
Balance as at 30 June 2022/2021	5,428	5,206

(a) Investment property is initially measured at cost, which includes 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) Direct operating expenses arising from the investment property generating rental income during the financial year are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Repairs and maintenance	27	24
Quit rent and assessment	5	4

(c) 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**
2022				
Workshop	–	5,428	–	5,428
2021				
Workshop	–	5,206	–	5,206

Notes to the Financial Statements (Cont'd)

8. INVESTMENT PROPERTY (CONT'D)

(c) The fair value of investment property of the Group is categorised as follows: (Cont'd)

(i) There is no transfer between levels in the hierarchy during the financial year.

(ii) Investment property at Level 2 fair value was determined by an external and independent property valuer, who is a member of The Hong Kong Institute of Surveyors. The professional valuer has adopted the comparison approach and made reference to relevant comparable transactions in the market. The valuation had resulted in a fair value loss of RM32,000 (2021: fair value gain of RM608,000) to the Group to reflect its fair value of RM5,428,000 or equivalent to HKD9,650,000 (2021: RM5,206,000 or equivalent to HKD9,710,000).

(iii) The fair value measurement of the investment property is based on the highest and best use, which does not differ from their actual use.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
At cost:		
- Unquoted shares	275,632	275,632
Less: Impairment losses	(955)	(955)
	274,677	274,677

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' shares of subsequent changes in equity.

(b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest 2022 %	Effective equity interest 2021 %	Principal activities
Vincci Ladies' Specialties Centre Sdn. Bhd. ("Vincci")	Malaysia	100	100	Dealers of ladies' shoes and accessories
Padini Corporation Sdn. Bhd. ("Padini Corporation")	Malaysia	100	100	Dealers of garments and ancillary products
Seed Corporation Sdn. Bhd. ("Seed")	Malaysia	100	100	Dealers of 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 2022 %	2021 %	Principal activities
Yee Fong Hung (Malaysia) Sendirian Berhad ("Yee Fong Hung")	Malaysia	100	100	Dealers of garments and ancillary products
Mikihouse Children's Wear Sdn. Bhd. ("Mikihouse")	Malaysia	100	100	Dealers of children's garments and accessories
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
Vincci Holdings Sdn. Bhd. ("Vincci Holdings")	Malaysia	100	100	Dormant
The New World Garment Manufacturers Sdn. Bhd. ("The New World Garment")	Malaysia	100	100	Dormant
Padini (Cambodia) Co., Ltd. ("Padini Cambodia") *	Cambodia	100	100	Dealers of ladies' shoes, garments and ancillary products
Padini (Thailand) Co., Ltd. ("Padini Thailand") #	Thailand	100	100	Dealers of ladies' shoes, garments and ancillary products
Subsidiary of PIL				
Padini (Thailand) Co., Ltd. ("Padini Thailand") # ^	Thailand	94	94	Dealers of ladies' shoes, garments and ancillary products

* *Subsidiary audited by BDO Member Firm*
# *Subsidiaries audited by other firm of auditors*
^ *The remaining 1% and 5% shareholdings are held by the Company and Padini Dot Com respectively.*

Notes to the Financial Statements (Cont'd)

10. OTHER INVESTMENTS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current				
Equity security				
- Unquoted shares in Malaysia	560	560	560	560
Club memberships	64	145	–	–
Investments in funds	30,000	–	–	–
Total non-current other investments	30,624	705	560	560

(a) The equity security is classified as financial asset at fair value through other comprehensive income whereas the club memberships and investments in funds are classified as financial assets 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 at the end of each reporting period.

The fair values for club memberships are estimated based on references to current available counter party quotations of the same investments.

The fair values of investments in funds are estimated based on the future cash flows that are estimated based on expected applicable yield of the investments in funds and discounted at rates that reflect the credit risk of the financial institution.

(c) The fair value of other investments of the Group and of the Company are categorised as follows:

Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2022				
Other investments				
- Unquoted shares in Malaysia	–	–	560	560
- Club memberships	–	–	64	64
- Investments in funds	–	–	30,000	30,000
2021				
Other investments				
- Unquoted shares in Malaysia	–	–	560	560
- Club memberships	–	–	145	145

Notes to the Financial Statements (Cont'd)

10. OTHER INVESTMENTS (CONT'D)

(c) The fair value of other investments of the Group and of the Company are categorised as follows: (Cont'd)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2022				
Other investments				
- Unquoted shares in Malaysia	–	–	560	560
2021				
Other investments				
- Unquoted shares in Malaysia	–	–	560	560

There is no transfer between levels in the hierarchy during the financial year.

(d) The significant unobservable inputs used in determining the fair value measurements of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, were detailed in the table below:

Financial instrument	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
Other investments		
Unquoted shares in Malaysia	Discounted industry price to book ratio (2022: 0.22; 2021: 0.21)	The higher the price to book ratio, the higher the fair value of the unquoted shares would be.
Club memberships	Counter party quotation	The higher the counter party quotation, the higher the fair values of the club memberships would be.
Investments in funds	Comparable market interest rate	The lower the comparable market interest rate, the higher the fair value of the investments in funds would be.

(e) Sensitivities for Level 3 fair value measurements of the other investments are not disclosed as they are not material to the Group and to the Company.

Notes to the Financial Statements (Cont'd)

10. OTHER INVESTMENTS (CONT'D)

(f) The Group holds a forty percent (40%) interest in Cassardi Corporation Sdn. Bhd. ("Casardi") for which the Group has determined that it does not hold 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 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 this, 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.

11. AMOUNTS DUE FROM SUBSIDIARIES

		Company	
	Note	2022 RM'000	2021 RM'000
Non-current			
Amount due from a subsidiary	(b)	–	3,978
Current			
Amounts due from subsidiaries	(c)	69,471	4,180
Total amounts due from subsidiaries		69,471	8,158

(a) Amounts due from subsidiaries are classified as financial assets measured at amortised cost.

(b) In the previous year, non-current amount due from a subsidiary was unsecured, which beared fixed interest at rate of 6.25% and had a maturity of 2 years. This amount due from a subsidiary was not payable within the next twelve (12) months.

(c) Current amounts due from subsidiaries mainly represent dividends receivables, payments made on behalf and advances, which are unsecured, interest-free and repayable within the next twelve (12) months, except for an amount of RM4,218,000 (2021: RM3,735,000), which bear fixed interest at rate of 6.25% (2021: 6.25%).

(d) Sensitivity analysis for fixed rate instruments as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates.

(e) Foreign currencies exposure of amounts due from subsidiaries of the Company are as follows:

	Company	
	2022 RM'000	2021 RM'000
Ringgit Malaysia	65,253	445
United States Dollar	4,218	7,713
	69,471	8,158

Notes to the Financial Statements (Cont'd)

11. AMOUNTS DUE FROM SUBSIDIARIES (CONT'D)

(f) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Company	
	2022 RM'000	**2021 RM'000**
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- United States Dollar	160	293

(g) Impairment for amounts due from subsidiaries are recognised based on 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. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve months 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. As at the end of the reporting period, the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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.

Credit impaired refers to individually determined debtors who are in significant financial difficulties and to be impaired as at the financial year end.

The Company 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.

The probability of non-payment by the subsidiaries is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve months or lifetime expected credit loss for the subsidiaries.

No expected credit loss is recognised arising from amounts due from subsidiaries as it is negligible.

Notes to the Financial Statements (Cont'd)

12. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group 2022 RM'000	Group 2021 RM'000
Balance as at 1 July 2021/2020	10,746	7,932
Recognised in profit or loss (Note 29)	646	2,814
Translation adjustments	41	–
Balance as at 30 June 2022/2021	11,433	10,746
Presented after appropriate offsetting:		
Deferred tax assets, net	11,963	11,346
Deferred tax liabilities, net	(530)	(600)
	11,433	10,746

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Contract liabilities RM'000	Lease liabilities RM'000	Other deductible temporary differences RM'000	Total RM'000
Balance as at 1 July 2021	1,889	5,581	1,181	8,651
Recognised in profit or loss	(35)	2,105	158	2,228
Translation adjustments	–	16	10	26
Balance as at 30 June 2022, prior to offsetting	1,854	7,702	1,349	10,905
Set-off of tax				1,058
Balance as at 30 June 2022				11,963
Balance as at 1 July 2020	1,680	4,033	1,063	6,776
Recognised in profit or loss	209	1,548	118	1,875
Balance as at 30 June 2021, prior to offsetting	1,889	5,581	1,181	8,651
Set-off of tax				2,695
Balance as at 30 June 2021				11,346

Notes to the Financial Statements (Cont'd)

12. DEFERRED TAX (CONT'D)

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (continued):

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Other (deductible)/ taxable temporary differences RM'000	Total RM'000
Balance as at 1 July 2021	1,827	268	2,095
Recognised in profit or loss	(642)	(940)	(1,582)
Translation adjustments	15	–	15
Balance as at 30 June 2022, prior to offsetting	1,200	(672)	528
Set-off of tax			(1,058)
Balance as at 30 June 2022			(530)
Balance as at 1 July 2020	1,412	(256)	1,156
Recognised in profit or loss	415	524	939
Balance as at 30 June 2021, prior to offsetting	1,827	268	2,095
Set-off of tax			(2,695)
Balance as at 30 June 2021			(600)

(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 2022 RM'000	Group 2021 RM'000
Unabsorbed tax losses		
- No expiry date	9,296	8,423
- Expired by 30 June 2023	40	43
- Expired by 30 June 2024	2,245	2,369
- Expired by 30 June 2025	1,923	2,030
- Expired by 30 June 2026	2,837	2,994
- Expired by 30 June 2027	2,696	–
- Expired by 30 June 2028	4,919	4,919
Unabsorbed capital allowances	–	2,761
	23,956	23,539

Notes to the Financial Statements (Cont'd)

12. DEFERRED TAX (CONT'D)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows: (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 tax authorities.

The unabsorbed capital allowances do not expire under current tax legislation.

13. INVENTORIES

	Group	
	2022 RM'000	**2021 RM'000**
At cost		
Completed garments, shoes and accessories	137,051	211,109
Raw materials and manufacturing accessories	6	4
	137,057	211,113
At net realisable value		
Completed garments, shoes and accessories	245	7,452
	137,302	218,565

(a) Cost of inventories of the Group is determined on a weighted average basis.

(b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM799,878,000 (2021: RM627,867,000). The amounts of write down, write back and write off of inventories and inventory losses recognised as cost of sales during the financial year are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Inventory losses	2,652	1,768
Inventories written back	(3,718)	(6,212)
Inventories written down	77	3,200
Inventories written off	2,134	2,384
	1,145	1,140

Notes to the Financial Statements (Cont'd)

13. INVENTORIES (CONT'D)

(c) The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling prices. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses future demand when making this judgement 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 amounts of inventories.

(d) During the financial year, the Group wrote back RM3,718,000 (2021: RM6,212,000) in respect of inventories written down in the previous financial year.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Trade receivables				
Third parties	10,064	7,559	–	–
Other receivables and deposits				
Other receivables	1,102	639	1	1
Deposits	27,965	29,244	71	71
	29,067	29,883	72	72
Total receivables	39,131	37,442	72	72
Prepayments				
Prepayments	17,329	10,192	72	54
	56,460	47,634	144	126

(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 ranges from 2 to 60 days (2021: 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.

Notes to the Financial Statements (Cont'd)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market and geographical segment of the Group to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the 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 within administrative expenses 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 significant judgement in determining the probability of default by trade receivables and appropriate forward looking information in assessing the expected credit losses.

No expected credit loss is recognised arising from trade receivables as it is negligible.

(d) Impairment for other receivables are recognised based on 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. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve months 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. As at the end of the reporting period, the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group 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.

Credit impaired refers to individually determined debtors who are in significant financial difficulties and to be impaired as at the financial year end.

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.

The probability of non-payment by the other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve months or lifetime expected credit loss for other receivables.

No expected credit loss is recognised arising from other receivables as it is negligible.

Notes to the Financial Statements (Cont'd)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	Group 2022 RM'000	Group 2021 RM'000
Maximum exposure	10,064	7,559
Collateral obtained	(190)	(173)
Net exposure to credit risk	9,874	7,386

During the financial year, the Group did not renegotiate the terms of any trade receivables.

(f) The ageing analysis of trade receivables of the Group is as follows:

Group	Gross carrying amount RM'000	Impairment RM'000	Net balance RM'000
2022			
Current	8,972	–	8,972
Past due			
1 to 30 days	108	–	108
31 to 60 days	8	–	8
61 to 90 days	270	–	270
More than 90 days	706	–	706
	1,092	–	1,092
	10,064	–	10,064
2021			
Current	2,661	–	2,661
Past due			
1 to 30 days	1,373	–	1,373
31 to 60 days	2,998	–	2,998
61 to 90 days	–	–	–
More than 90 days	527	–	527
	4,898	–	4,898
	7,559	–	7,559

Notes to the Financial Statements (Cont'd)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(g) The currency exposure profiles of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Ringgit Malaysia	30,136	31,017	72	72
United States Dollar	6,817	3,941	–	–
Chinese Renminbi	65	61	–	–
Thailand Baht	2,112	2,423	–	–
Hong Kong Dollar	1	–	–	–
	39,131	37,442	72	72

(h) Sensitivity analysis of RM against major foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- United States Dollar	259	150
- Thailand Baht	80	92

The exposure of other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

(i) At the end of each reporting period, approximately ninety percent (90%) (2021: ninety-four percent (94%)) of the trade receivables of the Group were owed by five (5) major customers (2021: five (5) customers).

15. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash and bank balances	808,853	523,758	26,977	53,246

Notes to the Financial Statements (Cont'd)

15. CASH AND BANK BALANCES (CONT'D)

(a) The weighted average effective interest rate of cash and bank balances as at the end of each reporting period is as follows:

	Group and Company	
	2022	**2021**
	%	**%**
Weighted average effective interest rate		
- Floating rate	1.62	1.62

(b) Sensitivity analysis of interest rates for floating rate instruments at the end of the reporting period, assuming all other variable remain constant is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Effects of 50bp changes to profit after tax				
Floating rate instruments	3,074	1,990	103	202

(c) The currencies exposure profiles of cash and bank balances are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	741,646	477,433	26,977	53,246
United States Dollar	62,472	41,202	–	–
Hong Kong Dollar	325	157	–	–
Chinese Renminbi	90	121	–	–
Cambodia Riel	7	7	–	–
Thailand Baht	4,313	4,838	–	–
	808,853	523,758	26,977	53,246

Notes to the Financial Statements (Cont'd)

15. CASH AND BANK BALANCES (CONT'D)

(d) Sensitivity analysis of RM against major foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- United States Dollar	2,374	1,566
- Thailand Baht	164	184

The exposure of other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

(e) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

16. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	**RM'000**	**Number of shares '000**	**RM'000**
Issued and fully paid up ordinary shares				
At beginning/end of the financial year	657,910	69,563	657,910	69,563

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.

17. RESERVES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-distributable				
Exchange translation differences	5,704	4,752	–	–
Distributable				
Retained earnings	815,783	727,471	345,313	311,702
	821,487	732,223	345,313	311,702

Notes to the Financial Statements (Cont'd)

17. RESERVES (CONT'D)

Exchange translation differences

The exchange translation differences are 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.

18. PROVISION FOR RESTORATION COSTS

	Group	
	2022 RM'000	**2021 RM'000**
Non-current		
Provision for restoration costs	7,826	6,622
Current		
Provision for restoration costs	1,864	2,102
Total	9,690	8,724

(a) Provision for restoration costs comprise estimates of reinstatement costs for lease outlets upon the expiry of tenancy agreements.

(b) A reconciliation of the provision for restoration costs is as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Balance as at 1 July 2021/2020	8,724	9,137
Recognised in right-of-use assets	2,890	2,508
Recognised in profit or loss (Note 26)	1,132	861
Reversal of provision for restoration costs	(2,536)	(3,128)
Utilised during the financial year	(539)	(638)
Translation adjustments	19	(16)
Balance as at 30 June 2022/2021	9,690	8,724

Notes to the Financial Statements (Cont'd)

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 of 400 days of final salary upon attainment of the retirement age of 60.

The amounts recognised in the statements of financial position are determined as follows:

	Group	
	2022 **RM'000**	**2021** **RM'000**
Provision for employee benefits representing net liability	53	47
Analysed as:		
Later than 5 years	53	47
Analysed as:		
Non-current liabilities	53	47

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	
	2022 **RM'000**	**2021** **RM'000**
At 1 July 2021/2020	47	48
Provision (Note 28)	8	2
Translation adjustment	(2)	(3)
At 30 June 2022/2021	53	47

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	
	2022 **%**	**2021** **%**
Discount rate	5.87	5.87
Price inflation	5.20	0.83
Expected rate of salary increases	5.00	5.00

The discount rate is determined based on the values of Government Bond of Thailand yields with more than 10 years of maturity.

Significant assumption for determination of the provision for employee benefits is the discount rate. The sensitivity analysis below has been determined based on changes to significant assumption, with all other assumptions held constant.

Notes to the Financial Statements (Cont'd)

19. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

Group	2022 Increase RM'000	2022 Decrease RM'000	2021 Increase RM'000	2021 Decrease RM'000
A 1% increase/decrease in discount rate will decrease/ increase the provision for employee benefits	41	78	(7)	10

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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Trade payables				
Third parties	127,143	37,642	–	–
Other payables				
Other payables	37,562	16,918	293	277
Accruals	13,578	7,098	455	354
	51,140	24,016	748	631
	178,283	61,658	748	631

(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 (2021: 30 to 90 days) from date of invoices.

(c) Included in other payables of the Group are advance payments received from customers against confirmed purchase orders amounting to RM190,000 (2021: RM173,000).

(d) An amount of RM16,368,000 (2021: nil) owing to a bank was included in other payables, which the bank acted as a settlement and paying agent on behalf of the Group before the expiry of the credit terms granted by the trade payables under a trade-related financial services agreement entered into between the bank and the Group. The Group is required to repay the bank no later than the expiry of the credit terms that are originally granted by is trade payables.

Notes to the Financial Statements (Cont'd)

20. TRADE AND OTHER PAYABLES (CONT'D)

(e) The currency exposure profiles of trade and other payables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia	175,213	60,615	748	631
Singapore Dollar	10	13	–	–
Hong Kong Dollar	40	40	–	–
United States Dollar	2,505	606	–	–
Thailand Baht	515	384	–	–
	178,283	61,658	748	631

(f) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group	
	2022 RM'000	2021 RM'000
Effects of 5% changes to RM against foreign currency		
Profit after tax		
- United States Dollar	95	23
- Thailand Baht	20	15

The exposure of other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

(g) The maturity profile of the trade and other payables of the Group and of the Company as at the end of the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one year.

21. CONTRACT LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Deferred revenue from customer loyalty points	7,727	7,873

(a) The contract liabilities primarily related to the deferred revenue from customer loyalty points outstanding as at the end of each reporting period, which revenue is recognised at a point in time upon redemption or lapsed customer loyalty points. The validity of the customer loyalty points is one (1) year.

Notes to the Financial Statements (Cont'd)

21. CONTRACT LIABILITIES (CONT'D)

(b) A reconciliation of the deferred revenue from customer loyalty points is as follows:

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 July 2021/2020	7,873	7,002
Additions during the financial year	2,122	6,329
Redemptions	–	(2,851)
Reversal on expiration of loyalty points	(2,268)	–
Lapsed rebate vouchers	–	(2,607)
Balance as at 30 June 2022/2021	7,727	7,873

22. COMMITMENTS

Capital commitments

	Group	
	2022 RM'000	2021 RM'000
Contracted but not provided for:		
Capital expenditure in respect of property, plant and equipment	37	3,240
Capital expenditure in respect of intangible assets	1,374	1,313
	1,411	4,553

23. CONTINGENT LIABILITIES

	Limit		Utilisation	
Group	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Corporate guarantees given to financial institutions				
- unsecured	216,295	214,912	–	–
Corporate guarantees given to landlords for the non-cancellable leases of business premises				
- unsecured	–	–	13,285	11,326
	216,295	214,912	13,285	11,326

Notes to the Financial Statements (Cont'd)

23. CONTINGENT LIABILITIES (CONT'D)

Company	Limit 2022 RM'000	Limit 2021 RM'000	Utilisation 2022 RM'000	Utilisation 2021 RM'000
Corporate guarantees given to financial institutions - unsecured	96,295	94,912	–	–
Corporate guarantees given to landlords for the non-cancellable leases of business premises - unsecured	–	–	317	299
	96,295	94,912	317	299

(a) The Group designates corporate guarantees given to financial institutions and landlords as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(b) The currency exposure profiles of corporate guarantees are as follows:

Group	Limit 2022 RM'000	Limit 2021 RM'000	Utilisation 2022 RM'000	Utilisation 2021 RM'000
Ringgit Malaysia	142,000	142,000	12,968	11,027
United States Dollar	66,105	64,418	317	299
Thailand Baht	8,190	8,494	–	–
	216,295	214,912	13,285	11,326
Company				
Ringgit Malaysia	22,000	22,000	–	–
United States Dollar	66,105	64,418	317	299
Thailand Baht	8,190	8,494	–	–
	96,295	94,912	317	299

(c) The Directors are of the view that the chances of the financial institutions and landlords to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities and to landlords for non-cancellable leases of business premises are negligible.

Notes to the Financial Statements (Cont'd)

24. REVENUE

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue from contracts with customers				
Sales of goods	1,318,950	1,030,256	–	–
Commission income	1	2	–	–
Deferred revenue from customer loyalty points	146	(871)	–	–
Dividend income	–	–	96,800	–
	1,319,097	1,029,387	96,800	–
Timing of revenue recognition:				
Transferred at a point in time	1,319,097	1,029,387	96,800	–

(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 products and acceptance by customer.

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.

(b) Commission income

Commission income is recognised at a point in time at the fair value of the consideration receivable upon the sales of goods.

(c) 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.

24. REVENUE (CONT'D)

(d) Other income

(i) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(ii) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(iii) Royalty income and master license fee

Royalty income and master license fee are recognised on an accrual basis in accordance with the substance of the relevant agreements.

(iv) Membership fee

Membership fee is recognised on a cash receipt basis.

(e) Dividend income

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

25. COST OF SALES

	Group	
	2022 RM'000	**2021 RM'000**
Inventories sold	799,878	627,867
Carriage, freight and handling charges	10,561	10,910
Others	1,145	1,140
	811,584	639,917

Others mainly represent inventory losses, inventories written down, inventories written back and inventories written off.

26. FINANCE COSTS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest expense on:				
- Term loans	–	30	–	30
- Lease liabilities (Note 6)	18,078	20,121	–	–
- Unwinding of discount on provision for restoration costs (Note 18)	1,132	861	–	–
Others	133	88	–	–
	19,343	21,100	–	30

Notes to the Financial Statements (Cont'd)

27. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
After charging:				
Auditors' remuneration				
BDO PLT Malaysia				
- Statutory audits				
- current year	225	214	50	48
- Non-statutory audit	7	7	7	7
Other auditors				
- Statutory audit				
- current year	56	56	–	–
Loss on foreign exchange:				
- realised	279	517	–	–
- unrealised	4	1,980	–	850
Rental of equipment	64	12	–	–
Rental of premises	29,853	21,200	–	–
Bad debts written off	9	14	–	–
Deposits written off	12	–	–	–
Other investment written off	81	–	–	–
And crediting:				
Net gain on disposal of property, plant and equipment	133	10	–	–
Gain on foreign exchange:				
- realised	45	458	41	448
- unrealised	3,089	6	255	–
Interest income	10,956	7,844	1,177	1,764
Rental income from:				
- investment property	180	179	–	–
- premises	–	–	4,938	4,938
Royalty income	914	549	–	–

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM131,000 (2021: RM128,000).

Notes to the Financial Statements (Cont'd)

28. EMPLOYEE BENEFITS

	Group 2022 RM'000	Group 2021 RM'000
Salaries, wages, allowances and bonuses	107,431	111,456
Contributions to defined contribution plans	12,076	13,005
Unutilised leaves	(616)	826
Increase in provision for employee benefits (Note 19)	8	2
Other employee benefits	3,844	3,781
	122,743	129,070

Included in the employee benefits of the Group are Executive Directors' remuneration amounting to RM3,522,000 (2021: RM3,878,000).

29. TAX EXPENSE

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current year tax expense based on profit for the financial year:				
- Malaysian income tax	51,043	22,723	1,143	1,305
- Foreign income tax	936	277	–	–
	51,979	23,000	1,143	1,305
Over provision in prior years:				
- Malaysian income tax	(326)	(97)	(8)	(67)
	51,653	22,903	1,135	1,238
Deferred tax (Note 12):				
- Relating to origination and reversal of temporary differences	(785)	(2,852)	–	–
- Under provision in prior years	139	38	–	–
	(646)	(2,814)	–	–
Total tax expense	51,007	20,089	1,135	1,238

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year.

(b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

Notes to the Financial Statements (Cont'd)

29. 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 are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Profit before tax	205,110	74,146	100,537	3,673
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	49,226	17,795	24,129	882
Tax effects in respect of:				
Different tax rates in foreign jurisdiction	(58)	50	–	–
Non-allowable expenses	2,257	1,515	332	561
Non-taxable income	(331)	(375)	(23,318)	(138)
Deferred tax assets not recognised	763	1,163	–	–
Utilisation of previously unabsorbed capital allowances	(663)	–	–	–
	51,194	20,148	1,143	1,305
Over provision of tax expense in prior years	(326)	(97)	(8)	(67)
Under provision of deferred tax in prior years	139	38	–	–
	51,007	20,089	1,135	1,238

(d) Tax on each component of other comprehensive income is as follows:

	Group					
		2022			**2021**	
	Before tax RM'000	**Tax effect RM'000**	**After tax RM'000**	**Before tax RM'000**	**Tax effect RM'000**	**After tax RM'000**
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	952	–	952	(1,603)	–	(1,603)

Notes to the Financial Statements (Cont'd)

30. DIVIDENDS

	Group and Company			
	2022		2021	
	Dividend per ordinary share sen	Amount of dividend RM'000	Dividend per ordinary share sen	Amount of dividend RM'000
First interim dividend	2.5	16,448	2.5	16,448
Second interim dividend	2.5	16,448	–	–
Third interim dividend	5.0	32,895	–	–
	10.0	65,791	2.5	16,448

The Directors do not recommend the payment of final dividend in respect of the current financial year.

31. 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.

	Group	
	2022	2021
Profit for the financial year (RM'000)	154,103	54,057
Weighted average number of ordinary shares in issue ('000)	657,910	657,910
Basic earnings per ordinary share (sen)	23.42	8.22

(b) Diluted

The diluted earnings per ordinary share equals 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)

32. 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% (2021: 43.74%) and where the Directors of the Company, namely Yong Pang Chaun and Chong Chin Lin have substantial financial interests. Yong Pang Chaun and Chong Chin Lin are also the directors of YPCH.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Company	
	2022 RM'000	**2021 RM'000**
Transactions with subsidiaries:		
Rental income received and receivable from:		
- Vincci	315	360
- Padini Corporation	325	309
- Seed	96	90
- Yee Fong Hung	2,811	2,856
- Mikihouse	35	33
- Padini Dot Com	1,356	1,290
Interest income received and receivable from:		
- Padini Cambodia	359	574

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 2022 is disclosed in Note 11 to the financial statements.

Notes to the Financial Statements (Cont'd)

32. 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 remunerations 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fees	362	300	362	300
Short term employee benefits	3,260	3,593	19	18
Contributions to defined contribution plans	281	303	–	–
	3,903	4,196	381	318

33. 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.

For capital management purposes, the Group considers equity attributable to owners of the parent as the capital structure of the Group. 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 payout to shareholders or issue new share, where necessary. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2022 and financial year ended 30 June 2021.

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 Group has complied with this requirement for the financial year ended 30 June 2022.

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.

Notes to the Financial Statements (Cont'd)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

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 is detailed below.

(i) Credit risk

Cash deposits and trade and other receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

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 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 profile has been disclosed in Note 14 to the financial statements.

(ii) Liquidity and cash flow risk

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 deposits and investment in funds from 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 Notes 11 and 15 to the financial statements respectively.

Notes to the Financial Statements (Cont'd)

33. 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 bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currencies balances amounted to RM67,207,000 (2021: RM46,325,000) for the Group.

The currency exposure profile and sensitivity analysis of foreign currency risk have been disclosed in Notes 11, 14, 15, 20 and 23 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 Note 10 to the financial statements.

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	**Effective Date**
Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19 Related Rent Concession beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021

Adoption of the above Amendments 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)

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

The following are Standards and Amendments 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
Annual improvement to MFRS Standards *2018 - 2020*	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2023
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company does not expect the adoption of the above Standards and Amendments to have a significant impact on the financial statements.

DIRECTORS' SHAREHOLDINGS AND INTERESTS

AS AT 30 SEPTEMBER 2022

Shareholdings in the Company

	No. of Shares Held			
Director	**Indirect**	**%**	**Direct**	**%**
YONG PANG CHAUN	291,153,790 *	44.25	9,691,960	1.47
CHONG CHIN LIN	297,625,760 **	45.24	3,219,990	0.49
CHIA SWEE YUEN	NIL	NIL	NIL	NIL
FOO KEE FATT	NIL	NIL	NIL	NIL
LEE PENG KHOON	NIL	NIL	NIL	NIL
ANDREW YONG TZE HOW	NIL	NIL	32,000	0.00 ^
BENJAMIN YONG TZE JET	NIL	NIL	114,800	0.02
CHEW VOON CHYN	5,000 ^^	0.00 ^	NIL	NIL
SUNG FONG FUI	35,000 ##	0.01	NIL	NIL
TAN SHI WEN	NIL	NIL	NIL	NIL
TAN POH LING	NIL	NIL	NIL	NIL

In addition to the direct/indirect interests disclosed above, Yong Pang Chaun and Chong Chin Lin are deemed to be interested in shares of the subsidiary companies to the extent the Company has an interest by virtue of their 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 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.

^^ Indirect interest via her spouse, Kumarason A/L Chandran's shareholdings in the Company.

Indirect interest via her spouse, Ng Yun Vui's shareholdings in the Company.

^ Negligible

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2022

Total number of shares issued	:	657,909,500 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote per Ordinary share
No. of shareholders	:	6,735

DISTRIBUTION SCHEDULE - ORDINARY SHAREHOLDERS AS AT 30 SEPTEMBER 2022

No. of Holders	Holdings	Total Holdings	%
157	less than 100	3,302	0.00
2,704	100 - 1,000	1,577,252	0.24
2,910	1,001 - 10,000	11,228,474	1.70
738	10,001 - 100,000	21,812,543	3.32
223	100,001 - 32,895,474	257,627,562	39.16
3	32,895,475 and above	365,660,367	55.58
6,735	**TOTAL**	**657,909,500**	**100.00**

Analysis of Shareholdings (Cont'd)

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

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.	287,763,500	–	43.74	–
2.	Yong Pang Chaun **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd.	–	287,763,500	–	43.74
			Chong Chin Lin #	–	3,219,990	–	0.49
			Andrew Yong Tze How #	–	32,000	–	0.00 ^
			Benjamin Yong Tze Jet #	–	114,800	–	0.02
			Christopher Yong Tze Yao #	–	23,500	–	0.00 ^
			Yong Pang Chaun	9,691,960	–	1.47	–
3.	Chong Chin Lin **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd.	–	287,763,500	–	43.74
			Yong Pang Chaun *	–	9,691,960	–	1.47
			Andrew Yong Tze How *	–	32,000	–	0.00 ^
			Benjamin Yong Tze Jet *	–	114,800	–	0.02
			Christopher Yong Tze Yao *	–	23,500	–	0.00 ^
			Chong Chin Lin	3,219,990	–	0.49	–
4.	Employees Provident Fund Board	Incorporated in Malaysia	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	34,742,400	–	5.28	–
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident FD BD (PHEIM)	556,000	–	0.08	–
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident FD BD (ARIM)	1,466,000	–	0.22	–

Analysis of Shareholdings (Cont'd)

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022 (CONT'D)

				No. of Shares held or beneficially interested in		Percentage of Shareholding	
No	Name	Nationality	Registered Holder	Direct	Indirect	Direct	Indirect
5.	Kumpulan Wang Persaraan (Diperbadankan)	Incorporated in Malaysia	Kumpulan Wang Persaraan (Diperbadankan)	43,154,467	–	6.56	–
			Kumpulan Wang Persaraan (Diperbadankan) - Fund Managers	–	1,923,200	–	0.29

Note : All names listed above as substantial shareholders are the beneficial owners even though they may not be the registered holders.

** 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.

^ Negligible

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 30 SEPTEMBER 2022

(As per the Record of Depositors)

No.	Name	No. of Shares	%
1	YONG PANG CHAUN HOLDINGS SDN. BHD.	287,763,500	43.74
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	43,154,467	6.56
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	34,742,400	5.28
4	THIAN MIN YANG	18,824,300	2.86
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD *ICAPITAL.BIZ BERHAD*	17,006,700	2.58
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PAMB FOR PRULINK EQUITY FUND*	11,697,300	1.78
7	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *DEUTSCHE BANK AG SINGAPORE FOR PANGOLIN ASIA FUND*	11,173,500	1.70
8	LEMBAGA TABUNG HAJI	10,681,000	1.62
9	YONG PANG CHAUN	9,691,960	1.47
10	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR NORGES BANK (FI 17)*	7,952,952	1.21
11	AMANAHRAYA TRUSTEES BERHAD *PUBLIC SMALLCAP FUND*	7,301,800	1.11
12	AMANAHRAYA TRUSTEES BERHAD *ASN UMBRELLA FOR ASN SARA (MIXED ASSET CONSERVATIVE) 1*	5,163,600	0.78
13	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)*	5,011,400	0.76
14	HSBC NOMINEES (ASING) SDN BHD *JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND*	4,938,237	0.75
15	CITIGROUP NOMINEES (ASING) SDN BHD *GSCO LLC FOR TRUFFLE HOUND GLOBAL VALUE LLC*	4,676,900	0.71
16	AMANAHRAYA TRUSTEES BERHAD *AMANAH SAHAM MALAYSIA 2 - WAWASAN*	4,488,100	0.68
17	CIMB GROUP NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR DBS BANK LTD (SFS)*	4,283,200	0.65
18	HSBC NOMINEES (ASING) SDN BHD *JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND*	4,213,045	0.64
19	AMANAHRAYA TRUSTEES BERHAD *PUBLIC ISLAMIC SELECT TREASURES FUND*	4,134,200	0.63

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 30 SEPTEMBER 2022 (CONT'D)

(As per the Record of Depositors) (Cont'd)

No.	Name	No. of Shares	%
20	AMANAHRAYA TRUSTEES BERHAD *PUBLIC ISLAMIC TREASURES GROWTH FUND*	4,005,400	0.61
21	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)*	3,921,200	0.60
22	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND*	3,905,000	0.59
23	CHONG CHIN LIN	3,219,990	0.49
24	AMANAHRAYA TRUSTEES BERHAD *PUBLIC STRATEGIC SMALLCAP FUND*	3,179,000	0.48
25	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD *DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND*	3,128,600	0.48
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PBTB FOR TAKAFULINK DANA EKUITI*	2,922,100	0.44
27	AMANAHRAYA TRUSTEES BERHAD *ASN SARA (MIXED ASSET CONSERVATIVE) 2*	2,891,200	0.44
28	AMANAHRAYA TRUSTEES BERHAD *ASN IMBANG (MIXED ASSET BALANCED) 1*	2,550,900	0.39
29	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC*	2,522,700	0.38
30	AMANAHRAYA TRUSTEES BERHAD *PMB SHARIAH GROWTH FUND*	2,500,000	0.38
	TOTAL	**531,644,651**	**80.79**

LIST OF GROUP PROPERTIES

As At 30 June 2022

Location	Description / Existing Use	Land Area/ Built-up Area (sq. ft.)	Tenure	Approximate Age of Buildings	Net Carrying Amount @ 30.06.2022 (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	26.5 years	10,762,911
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	16 years	12,295,928
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 parks	75,003/ 180,070	Freehold	12 years	19,959,458
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	1,455/ 1,455	Freehold	49 years	9,685,000
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	40 years	1,194,634
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	40 years	5,428,125
Flat E, 5th Floor, Block 5, Liberte, No. 833, Lai Chi Kok Road, Kowloon, Hong Kong Date of acquisition: 29 August 2014	Residential Apartment: Staff Hostel	698	Leasehold – 50 years expiring on 16.08.2049	19 years	3,999,426

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
	Tel No.	
	Email	

and

Full Name (in Block Letters) and address	NRIC/Passport No.	% of Shareholding
	Tel No.	
	Email	

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 First Annual General Meeting ("41st AGM") of the Company to be conducted virtually through live streaming from the broadcast venue at Room 4.2, No. 19 Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan and via the online meeting platform provided by SS E Solutions Sdn. Bhd. in Malaysia via its Securities Services e-Portal ("SSeP") at https://sshsb.net.my/ on Friday, 25 November 2022 at 10:00 a.m. or at any adjournment thereof.

		FOR	AGAINST
Ordinary Resolution 1	Directors' Fee for the year ended 30 June 2022		
Ordinary Resolution 2	Directors' Fee for the year ending 30 June 2023		
Ordinary Resolution 3	Directors' Benefits		
Ordinary Resolution 4	Re-election of Ms Chong Chin Lin		
Ordinary Resolution 5	Re-election of Mr Chia Swee Yuen		
Ordinary Resolution 6	Re-election of Mr Andrew Yong Tze How		
Ordinary Resolution 7	Re-election of Ms Tan Poh Ling		
Ordinary Resolution 8	Re-appointment of Auditors		
Ordinary Resolution 9	Retention of Independent Director – Mr Foo Kee Fatt		
Ordinary Resolution 10	Retention of Independent Director – Mr Lee Peng Khoon		
Ordinary Resolution 11	Retention of Independent Director – Mr Chia Swee Yuen		
Ordinary Resolution 12	Proposed ESOS		
Ordinary Resolution 13	Proposed allocation of ESOS Options to Mr Yong Pang Chaun		
Ordinary Resolution 14	Proposed allocation of ESOS Options to Ms Chong Chin Lin		
Ordinary Resolution 15	Proposed allocation of ESOS Options to Mr Andrew Yong Tze How		
Ordinary Resolution 16	Proposed allocation of ESOS Options to Mr Benjamin Yong Tze Jet		
Ordinary Resolution 17	Proposed allocation of ESOS Options to Ms Chew Voon Chyn		
Ordinary Resolution 18	Proposed allocation of ESOS Options to Ms Sung Fong Fui		
Ordinary Resolution 19	Proposed allocation of ESOS Options to Mr Christopher Yong Tze Yao		

(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 ______________________ 2022

____
Signature of Member / Common Seal

Notes:

(i) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting together with essential individuals in accordance with Note 1.2 of the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.*

(ii) *Shareholders/proxies from the public WILL NOT BE ALLOWED to attend the 41st AGM in person at the Broadcast Venue on the day of the meeting.*

(iii) *Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 41st AGM via the Remote Participation and Voting facilities ("RPV") SS E Solutions Sdn. Bhd. in Malaysia via its Securities Services e-Portal ("SSeP") at https://sshsb.net.my/. In the event of any technical glitch, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded by the Chairman, Board of Directors and/or Management during the Meeting. Please follow the procedures for RPV as provided in the Administrative Guide for the 41st AGM.*

(iv) *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.*

(v) *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.*

(vi) *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.*

(vii) *The instrument appointing a proxy must be completed and deposited at the office of the Poll Administrator, SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 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 SSeP at https://sshsb.net.my/ 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.*

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AFFIX
STAMP

PADINI HOLDINGS BERHAD
(Registration No. 197901005918 (50202-A))
C/O The Poll Administrator

SS E Solutions Sdn Bhd,
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Malaysia

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corporate.padini.com

PADINI HOLDINGS BERHAD
Registration No: 197901005918 (50202-A)

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