## PADINI HOLDINGS BERHAD (197901005918 (50202-A))

(Incorporated in Malaysia)

Minutes of the 41st Annual General Meeting of the Company 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 <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> on Friday, 25 November 2022 at 10:00 a.m.

PRESENT : Mr Chia Swee Yuen

(Independent Non-Executive Chairman)

Mr Yong Pang Chaun (Managing Director) Mdm Chong Chin Lin (Executive Director) Mr Foo Kee Fatt

(Independent Non-Executive Director)

Mr Lee Peng Khoon

(Independent Non-Executive Director)

Mr Andrew Yong Tze How (Executive Director)
Mr Benjamin Yong Tze Jet (Executive Director)
Ms Chew Voon Chyn (Executive Director)
Ms Sung Fong Fui (Executive Director)

Ms Tan Shi Wen

(Independent Non-Executive Director)

Ms Tan Poh Ling

(Independent Non-Executive Director)

IN ATTENDANCE : Ms Adelyn Ho

Ms Cho Mei Tho

Company Secretaries

Ms Lee Pei Yeng – Polling Administrator

Ms Chew Lai Ping - Scrutineer

SHAREHOLDERS & PROXIES : As per attendance list

## **CHAIRMAN OF THE MEETING**

Mr Chia Swee Yuen took the Chair and called the 41st Annual General Meeting ("AGM") to order at 10:00 a.m. He welcomed the Shareholders to the meeting and informed that the quorum requirement had been satisfied as there were more than 2 shareholders and proxies present. He also informed that the Company had received proxy forms appointing the Chairman as the proxy and the votes represented amounted to 16.19%.

The Chairman informed that all the resolutions set out in the Notice of the 41<sup>st</sup> AGM will be voted by poll. He added that the shareholders/proxies may proceed to vote on the resolutions set out in the Notice of the AGM until the end of the voting session which will be announced later.

The Chairman informed that for the purpose of the poll voting, the Company had appointed:-

- a) SS E Solutions Sdn Bhd as the Polling Administrator to conduct the poll voting; and
- b) Commercial Quest Sdn Bhd as the Scrutineer to scrutinise the e-polling procedures and to verify the poll results.

The Chairman then invited the representative of SS E Solutions Bhd, the Polling Administrator, to brief the shareholders/proxies on the polling process. The video on the polling process was projected on the screen for the shareholders' information.

## **NOTICE**

The Notice convening the meeting was taken as read.

The Chairman informed that the Company has received a letter from the Minority Shareholders Watch Group ("MSWG") raising several queries in relation to the operational and financial matters of the Group as well as corporate governance issues. He informed that the questions and answers to the letter will be shared with the shareholders after he has finished tabling all the matters in the Agenda as follows.

## 1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman then proceeded with the first item on the Agenda which was to lay the Audited Financial Statements for the year ended 30 June 2022 and the Reports of the Directors and Auditors.

## 2. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The Chairman informed that the next item on Agenda was the payment of Directors' fees for the financial year ended 30 June 2022. He informed that the Board has recommended the Directors' fees of RM380,000.00 in respect of the financial year ended 30 June 2022.

## 3. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

The Chairman informed that the next item on Agenda was the payment of Directors' fees for the financial year ending 30 June 2023. He informed that the Board has recommended the Directors' fees of RM480,000.00 in respect of the financial year ending 30 June 2023.

## 4. **DIRECTORS' BENEFITS**

The Chairman proceeded to item 4 on the Agenda which was to table the resolution on the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM50,000 payable to the Independent Directors from 1 July 2023 until the next Annual General Meeting of the Company in 2023.

## 5. RE-ELECTION OF THE DIRECTORS WHO RETIRE BY ROTATION IN ACCORDANCE WITH CLAUSE 103(1) OF THE COMPANY'S CONSTITUTION

The Chairman informed that at this meeting, Ms Chong Chin Lin, Mr Chia Swee Yuen and Mr Andrew Yong Tze How, retired under Clause 103(1) of the Company's Constitution, and being eligible, offered themselves for re-election under Ordinary Resolution 4, 5 and 6, respectively.

The Chairman also informed that any matters or questions relating to the resolution on his reelection will be chaired by Mr Andrew Yong.

## 6. RE-ELECTION OF THE DIRECTOR WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 110 OF THE COMPANY'S CONSTITUTION

The Chairman informed that at this meeting, Ms Tan Poh Ling retired under Clause 110 and being eligible, offered herself for re-election under Ordinary Resolution 7.

## 7. AUDITORS

The Chairman informed that item 7 on the Agenda was on the reappointment of Auditors. He informed that the Auditors, Messrs BDO PLT, has signified their willingness to continue in office

## 8. RETENTION OF INDEPENDENT DIRECTORS

The next item on the Agenda was on the retention of Mr Foo Kee Fatt as an Independent Director. The Chairman informed that Mr Foo has served as an Independent Non-Executive Director for a cumulative term of more than nine years.

Items 9 and 10 on the Agenda were on the retention of Mr Lee Peng Khoon and Mr Chia Swee Yuen as Independent Directors. The Chairman informed that Mr Lee Peng Khoon will be completing his term of nine years as an Independent Non-Executive Director of the Company on 5 January 2023 whilst he will be completing his term of nine years as an Independent Non-Executive Director of the Company on 1 May 2023.

The justifications for them to continue to act as Independent Non-Executive Directors were set out on page 9 of the Annual Report.

The Chairman also informed that any matters or questions relating to Ordinary Resolution 11 pertaining to his retention, will be chaired by Mr Andrew Yong.

## 9. PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME 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)

The Chairman informed that item 11 on the Agenda was on the proposed establishment of an Employees' Share Option Scheme ("ESOS") of upto 15% of the total number of issued shares of the Company for the Executive Directors and Employees of the Company and its subsidiaries (excluding subsidiaries which are dormant).

The presentation on the Proposed ESOS (Appendix I) was projected on the screen for the shareholders' information.

## 10. PROPOSED ALLOCATION OF ESOS OPTIONS TO EXECUTIVE DIRECTORS OF PADINI AND PERSONS CONNECTED WITH THEM PURSUANT TO THE PROPOSED ESOS

The Chairman proceeded to item 12 on the Agenda which was consider Ordinary Resolutions 13 to 19 on the proposed allocation of ESOS Options to Executive Directors of the Company and persons connected with them pursuant to the Proposed ESOS.

## 11. ANY OTHER MATTERS

The Chairman informed that no notice had been received for the transaction of any other business at this Meeting.

## 12. QUESTIONS AND ANSWERS

The following presentations were then projected on the screen to be shared with the shareholders:

- Presentation of the Group's financial performance (Appendix II); and
- Questions and answers to the letter from MSWG (Appendix III).

The Chairman informed that the Company has also received some questions from the shareholders/proxies during the meeting. A summary of the questions raised by the shareholders/proxies together with the corresponding responses are set out in Appendix IV of the minutes.

## 13. **CONDUCT OF POLL**

The poll voting session was carried out for 10 minutes after the tabling and deliberations of all the items on the Agenda for the Meeting. The poll voting session commenced at 10:58 a.m. and the Chairman announced the voting session shall be closed after 10 minutes. The Meeting was adjourned for the polling, counting and verification of the poll results to take place.

## 14. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11:10 a.m. for the declaration of poll results as the Chairman had received the said results from the Scrutineer. The poll results (Appendix V) were projected onto the screen.

The Chairman announced that the following resolutions were duly carried:

## 14.1 Ordinary Resolution 1 - Payment of Directors' Fees for the financial year ended 30 June 2022

"That the payment of Directors' fees of RM380,000.00 in respect of the financial year ended 30 June 2022 be and is hereby approved."

## 14.2 Ordinary Resolution 2 - Payment of Directors' Fees for the financial year ending 30 June 2023

"That the payment of Directors' fees of RM480,000.00 in respect of the financial year ending 30 June 2023 be and is hereby approved."

## 14.3 Ordinary Resolution 3 - Payment of Directors' Benefits

"That 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 in 2023 be and is hereby approved."

## 14.4 Ordinary Resolution 4 - Re-election of Director retiring in accordance with Clause 103(1) of the Company's Constitution

"That Ms Chong Chin Lin who retires in accordance with Clause 103(1) of the Company's Constitution be and is hereby re-elected as a Director of the Company."

## 14.5 Ordinary Resolution 5 - Re-election of Director retiring in accordance with Clause 103(1) of the Company's Constitution

"That Mr Chia Swee Yuen who retires in accordance with Clause 103(1) of the Company's Constitution be and is hereby re-elected as a Director of the Company."

## 14.6 Ordinary Resolution 6 - Re-election of Director retiring in accordance with Clause 103(1) of the Company's Constitution

"That Mr Andrew Yong Tze How who retires in accordance with Clause 103(1) of the Company's Constitution be and is hereby re-elected as a Director of the Company."

## 14.7 Ordinary Resolution 7 - Re-election of Director retiring in accordance with Clause 110 of the Company's Constitution

"That Ms Tan Poh Ling who retires in accordance with Clause 110 of the Company's Constitution be and is hereby re-elected as a Director of the Company."

## 14.8 Ordinary Resolution 8 - Re-appointment of Auditors

"That Messrs BDO PLT, be and are hereby re-appointed as Auditors of the Company for the financial year ending 30 June 2022 and that the Directors be and are hereby authorised to fix their remuneration."

## 14.9 Ordinary Resolution 9 - 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."

## 14.10 Ordinary Resolution 10 - 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."

## 14.11 Ordinary Resolution 11 - 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."

14.12 Ordinary Resolution 12 - 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;

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;

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 preemptive rights to be offered ESOS Options and/or any new shares ranking equally to the existing issued shares of the Company."

## 14.13 Ordinary Resolution 18 - 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:

Sung Fong Fui

(Ordinary Resolution 18)

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."

The Chairman then announced that the following resolutions were not carried:

## 14.14 Ordinary Resolutions 13, 14, 15, 16, 17 and 19 - 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:

_	Yong Pang Chaun	(Ordinary Resolution 13)
-	Chong Chin Lin	(Ordinary Resolution 14)
_	Andrew Yong Tze How	(Ordinary Resolution 15)
_	Benjamin Yong Tze Jet	(Ordinary Resolution 16)
_	Chew Voon Chyn	(Ordinary Resolution 17)
_	Christopher Yong Tze Yao	(Ordinary Resolution 19)

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."

## **TERMINATION**

There being no further business, the meeting terminated at 11:20 a.m. with a vote of thanks to the Chair.

Confirmed as a correct record,

CHAIRMAN

## PADINI

## **Padini Holdings Berhad**

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

- I. PROPOSED ESOS (ORDINARY RESOLUTION 12)
- II. PROPOSED ALLOCATION (ORDINARY RESOLUTIONS 13 TO 19)

**Annual General Meeting** 

**25 November 2022** 





- Principal features
- Effects of the Proposals
- How does the Proposed ESOS work?
- Why Proposed ESOS?



## **Principal features**

The principal features of the Proposals are set out below:

## **Proposed ESOS**

Size Up to 15% of the total number of issued shares of Padini i.e. 98,686,425 Shares (based

on issued share capital of 657,909,500 as at 30 September 2022)

## Eligible person

in respect of employees (i)

Include (+

18 years of age and not an undischarged bankrupt Full-time or fixed term contract

Fulfilled other eligibility criteria set by ESOS Committee

(ii) in respect of Executive Directors

18 years of age and not an undischarged bankrupt

Fulfilled other eligibility criteria set by ESOS Committee

(iii) For those under employment contract must be at least 1 year unless otherwise decided by ESOS Committee

## Exclude



Non-Executive Directors

**Duration** 5 years from the Effective Date and can be extended for a further 5 years

## **Proposed Allocation**

## Allocation

Not more than 10% of the total number of Shares shall be allocated to any Eligible Person who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued Padini Shares

Not more than 50% of the total ESOS Options shall be allocated, in aggregate, to the Executive Directors and senior management of Padini Group

(Reference: Section 2.1 and Appendix I of the Circular)

## **Effects of the Proposals**

The effects of the Proposals are set out below:

## **Share capital**

The issued share capital will increase progressively depending on new Padini shares to be issued arising from exercise of ESOS Options.

## NA, NA per Share and gearing

- If the Exercise Price is higher than the NA per Share at the point of exercise, the NA per Share will increase.
- If the Exercise Price is lower than the NA per Share at the point of exercise, the NA per Share will decrease.
- Upon exercise of ESOS Options, NA will increase and gearing will decrease.

## Substantial shareholders' shareholdings

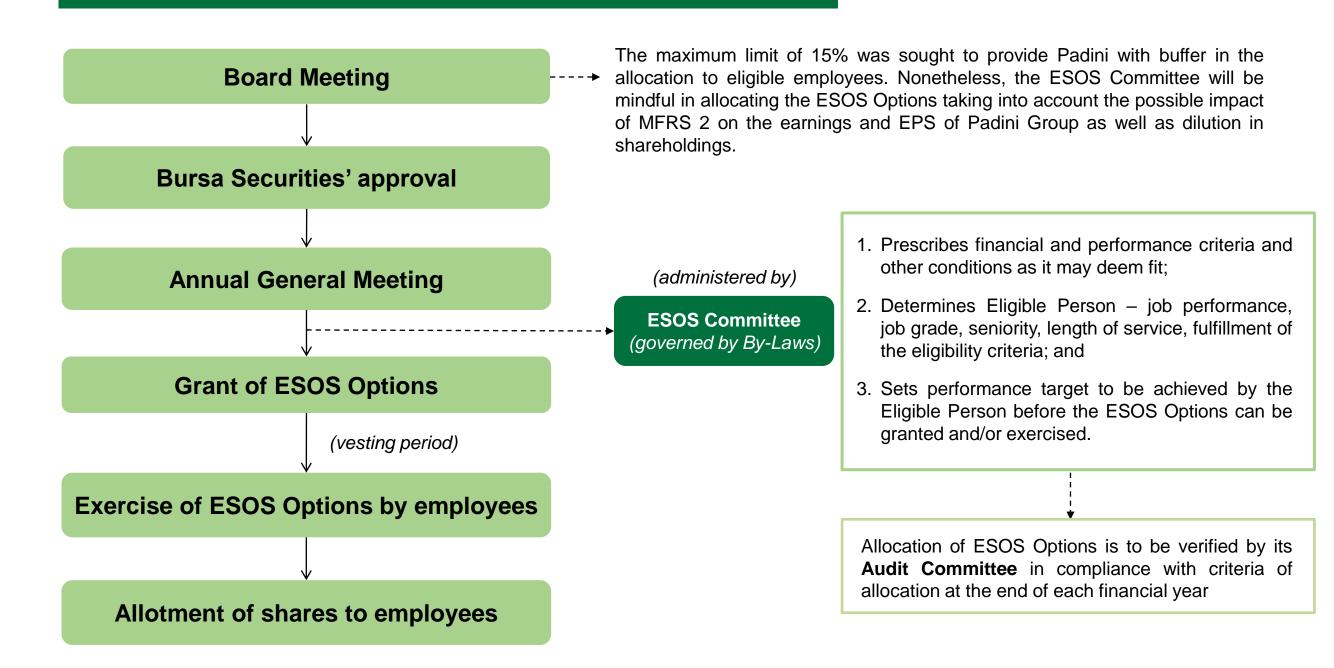
No immediate effect. Any potential effect will depend on the number of new Padini Shares to be issued pursuant to exercise of ESOS Options.

## **Earnings and EPS**

- Potential effect on earnings due to possible impact of MFRS 2.
- Dilutive effect on EPS due to increase in number of Shares in issue arising from exercise of ESOS Options.



## How does the Proposed ESOS work?



Executive Directors and eligible employees of Padini shall not participate in the deliberation or discussion of their respective allocation of ESOS Options and allocation to persons connected with them

(Reference: Section 2.1 and Appendix I of the Circular)

The Proposed ESOS is established to achieve the following objectives:



Employees of Padini who have contributed to the growth of the Company over the years will be able to benefit from equity participation pursuant to the Proposed ESOS

7000

The following table illustrates the category of employees of Padini and their number of years of employment in Padini Group:

No. of years serves	Level	No. of employees	as at 16 Nov 2022
in Padini Group		Malaysia	Abroad
1 – 10 years	Executive Directors and management staff (including senior / middle levels)	33	3
	Executive (including admin / clerks / sales assistants)	2,229	130
11 – 20 years	Executive Directors and management staff (including senior / middle levels)	35	-
	Executive (including admin / clerks / sales assistants)	263	4
Over 20 years	Executive Directors and management staff (including senior / middle levels)	11	-
	Executive (including admin / clerks / sales assistants)	87	-
Total		2,658	137

In view that Padini Group's domestic operations continue to be the main driver of revenue and profits, the Group is taking measures to retain staff locally and overseas to cater for its business operations

(Source: The management of Padini)

2) Employees' share issuance scheme undertaken by other companies listed on the Main Market of Bursa Securities in the past 1 year (based on circulars issued from November 2021 until October 2022):

## Up to 15% of the issued share capital

Date of Circular	Company	Type of scheme	Duration (years)
13-Jan-22	Fitters Diversified Berhad	ESOS	5
16-Feb-22	Asia File Corporation Berhad	ESOS	5
16-Feb-22	Wong Engineering Corporation Berhad	LTIP	5
25-Feb-22	Key Asic Berhad	ESOS	5
2-Mar-22	Malayan Cement Berhad	ESOS	10
1-Apr-22	Texchem Resources Berhad	ESOS	5
6-Apr-22	Jade Marvel Group Berhad	ESOS	5
9-May-22	K.Seng Seng Corporation Berhad	ESOS	5
13-May-22	Leader Steel Holdings Berhad	ESOS	5
13-May-22	EP Manufacturing Berhad	ESOS	5
24-May-22	KYM Holdings Bhd	ESOS & SGP	5
22-Jul-22	PRG Holdings Berhad	LTIP	5
30-Aug-22	Lay Hong Berhad	ESOS	5
6-Oct-22	Minda Global Berhad	SGP	10
11-Oct-22	Saudee Group Berhad	ESOS	5
17-Oct-22	D'Nonce Technology Bhd	ESOS	5
31-Oct-22	Supermax Corporation Berhad	LTIP	5

Notes:

LTIP refers to Long-Term Incentive Plan SGP refers to Share Grant Plan / Share Grant Scheme

## Up to 10% of the issued share capital

Date of Circular	Company	Type of scheme	Duration (years)
9-Nov-21	Gamuda Berhad	ESOS	5
26-Nov-21	Coastal Contracts Bhd	ESOS	5
10-Jan-22	CWG Holdings Berhad	ESOS	5
8-Jun-22	Tune Protect Group Berhad	LTIP	10
22-Jun-22	Gets Global Berhad	ESOS	10
22-Jul-22	Power Root Berhad	ESOS	10
5-Oct-22	Hume Cement Industries Berhad	ESOS & SGP	10
12-Oct-22	Southern Steel Berhad	ESOS & SGP	10
25-Oct-22	Inari Amertron Berhad	ESOS	5
28-Oct-22	GuocoLand (Malaysia) Berhad	ESOS & SGP	10

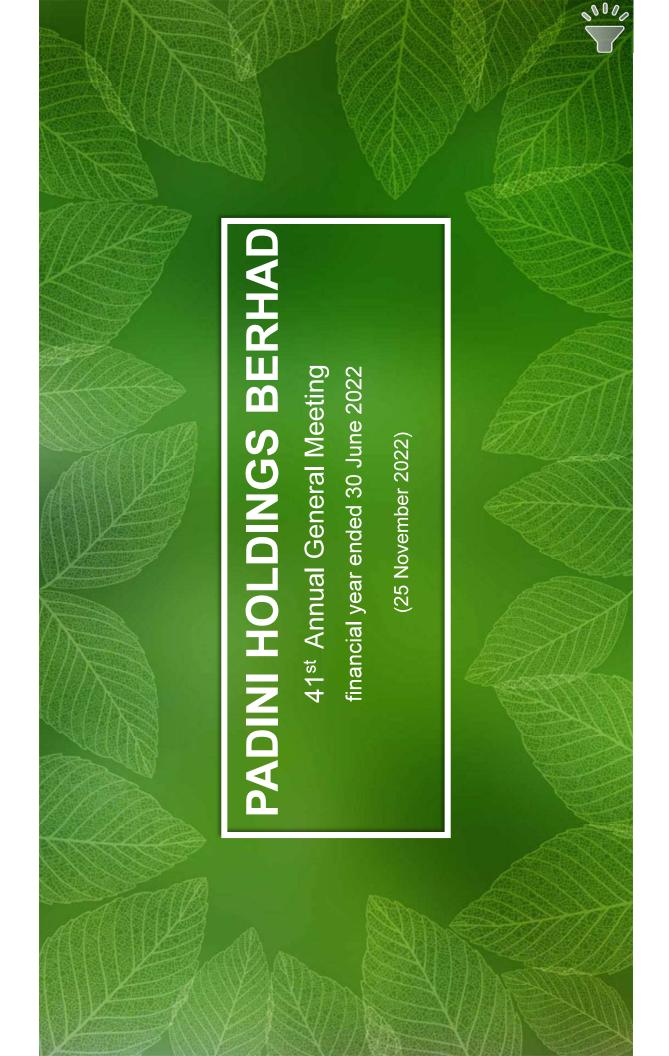
## Up to 5% of the issued share capital

Date of Circular	Company	Type of scheme	Duration (years)
8-Dec-21	Vitrox Corporation Berhad	SGP	10

Out of the 28 listed companies above, 17 companies (approx. 61%) have undertaken an employees' share issuance scheme of up to 15% of its issued share capital

(Source : Bursa Malaysia Securities Berhad)

## Thank you.





## Agenda



## **Business Review**

- ➤ Retail Industry Sales Growth
- Geographical Presence



## Financial Performance

- ➤ Profit or Loss
- ▶ Financial Position



## Sustainability Highlights

➤ Environment, Social and Economic



## Retail Industry Sales Growth



2000

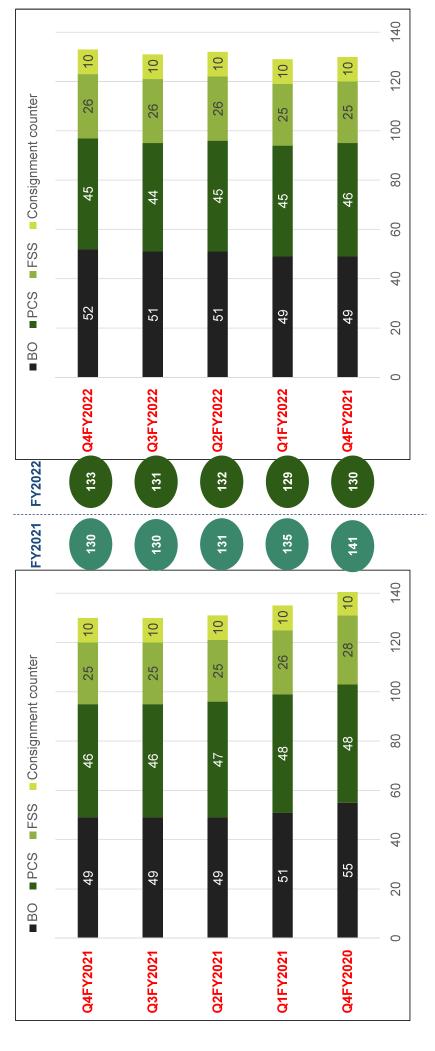
## **Business Operation**

FY2021		RMCO			CMCO		MCO 2.0	2.0	CM	CMCO	MCO 3.0	FMCO
	Jul'20	Aug'20 Sep'20 Oct'20 Nov'20	Sep'20	Oct'20	Nov'20	Dec'20 Jan'21	Jan'21	Feb'21	Mar'21	Mar'21 Apr'21	May'21	Jun'21
Malaysia			Business n	Business reopen with SOP	OP		Closed		Business reopen with SOP, closed appx 4 days (HIDE list)	1 SOP, closed appx	4 days (HIDE list)	Closed
(120 outlets, 10 consignment)	isignment)											
Thailand (7 outlets)				Business re	Business reopen with SOP	dC				e obe	6 opened, 1 closed	
Cambodia (4 outlets)		Business reopen with SOP	oen with SOP		2.She	2 Shorter business hours, 2 closed	ours, 2 closed		Business re-open	pesol		Business re-open with SOP

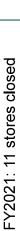
FY2022					Ndd						Endemic phase	2440
	Jul'21	Jul'21 Aug'21 Sep'21 Oct'21 Nov'21	Sep'21	Oct <sup>2</sup> 1	Nov'21	Dec'21	Dec'21 Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22
Malaysia	Closed					Relaxing from	lockdown and l	esser business n	Relaxing from lockdown and lesser business restriction, business reopen	sss reopen		
(123 outlets, 10 consignment)	nsignment)											
Thailand	Closed						Business reope	n with 1 closed	Business reopen with 1 closed until further notice	eo.		
(7 outlets)		u.										
Cambodia	Shorter bus	Shorter business hours						Business reopen	LE.			
(4 outlets)												



## Number of Stores

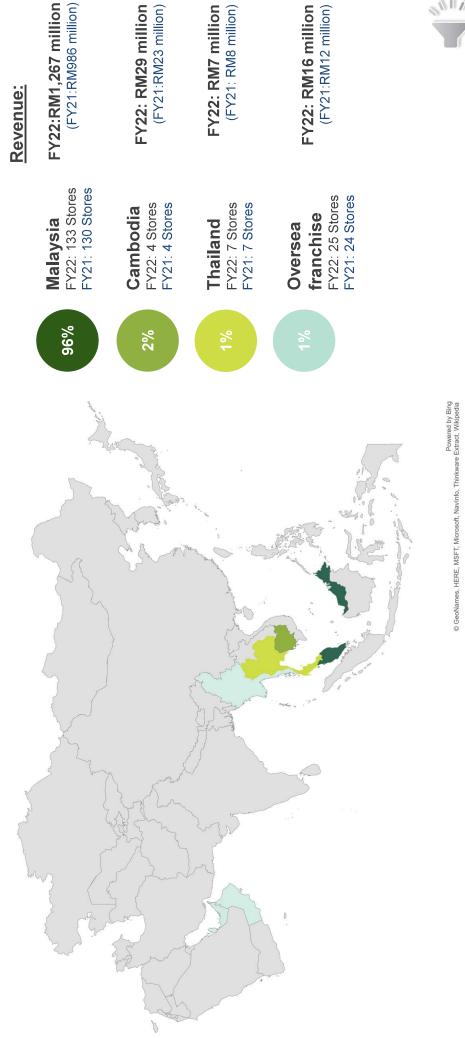








# Geographical Presence as of 30 June 2022



FY22:RM1,267 million (FY21:RM986 million)

FY22: RM29 million



## **Performance Financial**





## **DIVIDEND PER SHARE**

REVENUE

**NET PROFIT** 

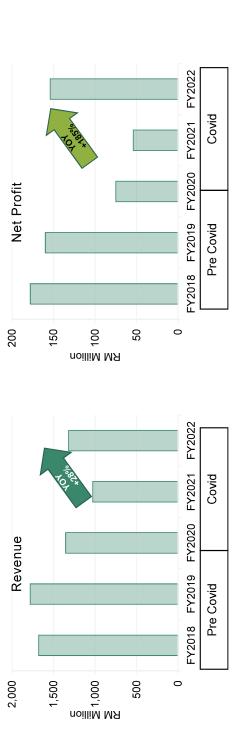
FY2022: RM1,319 mil FY2021: RM1,029 mil

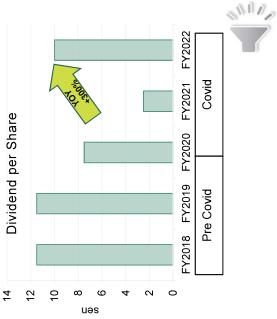
FY2022: RM154 mil FY2021: RM 54 mil

FY2022: 10.0 sen FY2021: 2.5 sen

Despite challenging in retail business operation, Group's performance improved in FY22

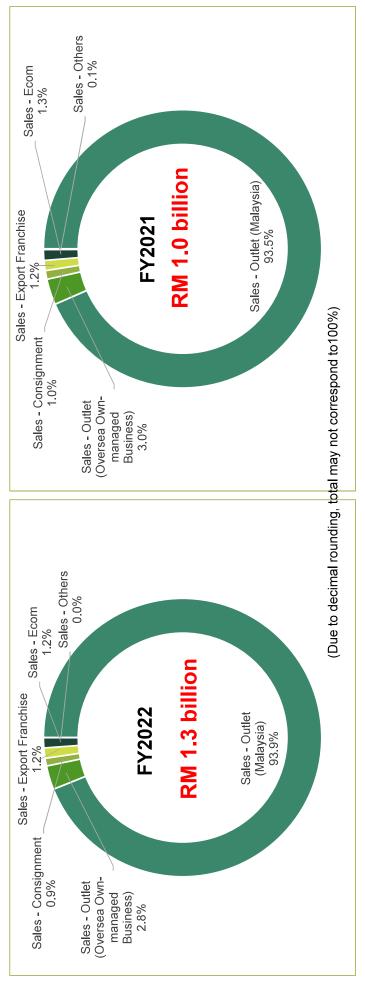
Implementing measures to control costs, optimising working capital and streamline operations

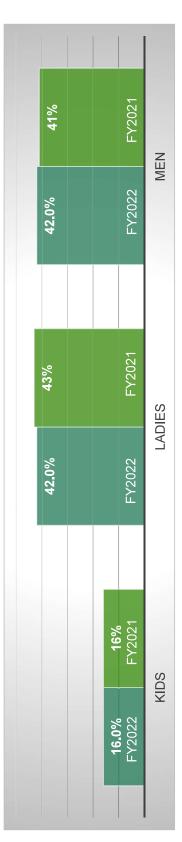






## Revenue Streams







## Ecommerce

Revenue increase by 19% as compared to FY21



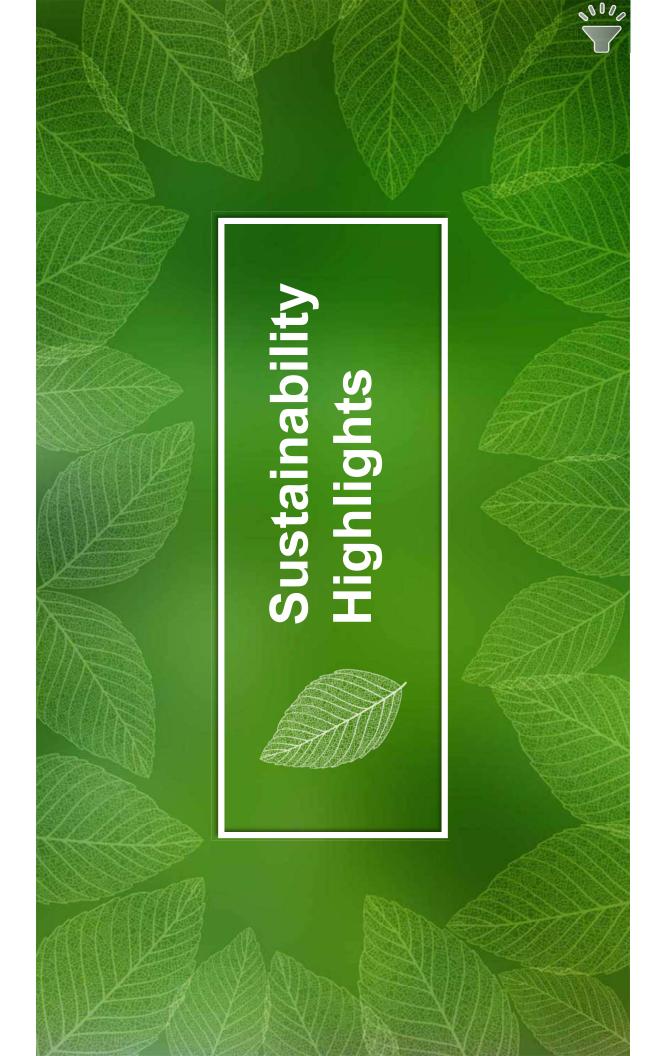
## Financial Position

(as at 30 June)

	800 400 400 400 400 400 400 400 400 400
1,600	7,000 Millions 1,000 20 4 40 600 00 00 00 00 00 00 00 00 00 00 00 0

		FY2022	FY2021	FY2020	FY2019	FY2018
Cash and Cash Equivalent	Cash and Cash Equivalent	RM 809 mil	RM 524 mil	RM 441 mil	RM 472 mil	RM 451 mil
Receivables	Bad debt expenses	RM 21k	RM 14k	RM 271k	Ē	Ē
Liquidity	Current Ratio (Current asset/Current liability)	3.6	5.4	4.0	9. 9.	2.9
Ratios	Quick Ratio (Current asset- Inventory /Current liability)	3.1	3.9	2.6	2.6	1.9
Activity Ratios	Inventory Turnover (Average stock/COGS)	81	143	125	92	84
	* 365 days	days	days	days	days	days
Solvency Ratios	Debt-Asset Ratio (Total liabilities/total asset)	40%	37%	45%	23%	29%
	Debt-Equity Ratio (Total liabilities/Equity)	%89	%69	82%	%67	41%
Profitability	Earning per share	23.42	8.22	11.43	24.34	27.08
Ratios	Price to earning ratio	13.66	35.05	21.79	14.87	22.04
	Return on assets (%)	10%	4%	2%	17%	19%
		Endemic	Covid	Covid	Pre-	Pre-
					covid	COVID





## Our Sustainability



## Sustainability Goals:

To provide products that are good in value whilst improving our sustainability goals: Environment, Social and Governance



## Economic

- 1. Business performance
  - 2. Market presence3. Sustainability of the
    - business strategy



## **Environment**

- Responsible sourcing
   Energy consumption
   Responsible design &
- creativity

## Social

- 1. Customer satisfaction

  - 2. Compliance3. Local Communities
- 4. Employee development 5. Diversity & Equality Diversity & Equality

## Environment



9000



## Social

## SUPPORTING NEW MUMS AT WORK

Provided nursing room, flexible lactation breaks -

maternity parking -









Workplace accident reduced by 45%

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT



**EMPLOYEES WELFARE IN TIMES OF CRISIS** 







Total of 14 NGOs benefited -

















## Social

## Valuing diversity and equal opportunity

Diverse group of people to be part of our team 38% Male, 62% Female

## **Employees development and growth**

Caring and training our people RM101,000 spent for training 18 Trainings in FY2022

## 05

## 03

## **Employees wellness and engagement** Healthy workforce and protect employees' wellbeing such as health talk programs

## M

## **Empowering local talents**

Approximately 100% employees local hired Hire and train competent local employees

## Rewarding and recognizing our employees

## Recruit, career prospects and reward 20% - 40% staff discounts on Padini's products

**6** 

## Raising tomorrow's leaders 90

Sponsorship for work related study without bonds



**Good People make Good Business** 





## Economic

## Investors

4

Dividend FY22: 10.0 sen dividend per share

## Market presence

Maintaining market share in industry Market Cap RM2.13 billion

## Financial performance

Sustainable financial performance > RM150 million net profit > than RM1,300 million in sales

## Compliance

- Whistleblowing policy
  - Anti-bribery policy
- Anti-corruption policy

## Corporate governance

Structure and processes in place

## Fair price trade award

Won Malaysia for fair price shop award



## THANK YOU!

## **Investor Relations**

Hicome Glenmarie Industrial Park, No. 19 Jalan Jurunilai U1/20, 40150 Shah Alam, Selangor Darul Ehsan Malaysia

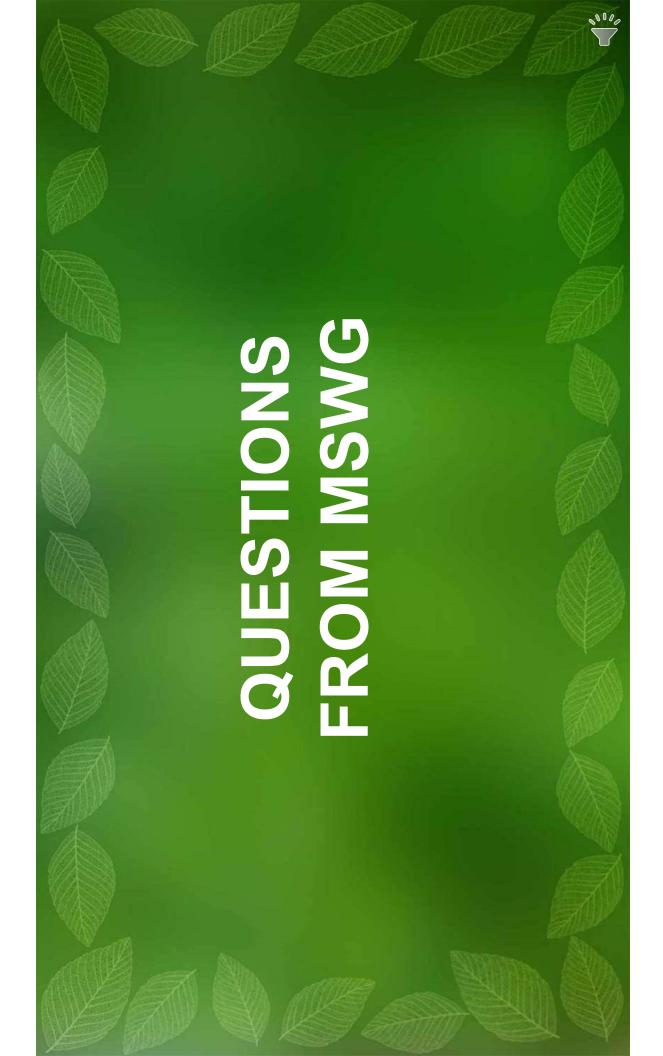






ir@padini.com





## Question 1:

and the inventories level was relatively low compared with the The group's inventories stood at RM137.302m as at end-FY2022 previous years, as shown in the table below.

	Revenue (RM'm)	Inventories as at end of financial year (RM'm)	Inventories/ Revenue (%)
FY2013	789.52	143.838	18.22
FY2014	866.258	222.066	25.64
FY2015	977.904	168.931	17.27
FY2016	1,301.19	263.266	20.23
FY2017	1,570.72	193.212	12.30
FY2018	1,678.79	257.022	15.31
FY2019	1,783.02	277.236	15.55
FY2020	1,354.68	273.870	20.22
FY2021	1,029.39	218.565	21.23
FY2022	1,319.10	137.302	10.41

- What was the reason for the relatively low inventories level as at end-FY2022?
  - ii) Is the group keeping sufficient stocks for sales in FY2023?iii) What is the optimum inventories to sales ratio?

## Response:

- i) We have lower inventory level at the end of the financial year due to rebounding customer demand, cautious buying pattern combating the uncertainties facing in the market and there were slight delay in certain shipments.
- ii) We are having sufficient stocks for the next foreseeable quarters.
- business. Stock turnover months of three (3) to four (4) months is reasonable for Padini. Padini continues to remain resilience and regularly monitoring inventory turn. We believe monitoring inventories turnover is a continuous effort and timely responses is essential for managing the inventory level, this does not limit to the right quantity but also right products at the right timing in



## Question 2:

For the past 10 years, the company's dividend payout has been on a declining trend, as shown in the table below.

	EPS (sen)	DPS (sen)	Dividend Payout Ratio (%)
FY2013	12.98	8.00	61.63
FY2014	13.82	11.50	83.21
FY2015	12.19	10.00	82.03
FY2016	20.88	11.50	55.08
FY2017	23.92	11.50	48.08
FY2018	27.08	11.50	42.47
FY2019	24.34	11.50	47.25
FY2020	11.43	7.50	65.62
FY2021	8.22	2.50	30.41
FY2022	23.42	10.00	42.70

With the group's cash and bank balances as at end-FY2022 ballooning to RM808.853m, which is equivalent to 0.61x FY2022 full-year revenue, from RM523.758m a year ago, does the company intend to increase the dividend payout ratio in the near to medium term?



## Response:

The proposed quantum of dividends, if any, will be deliberated by the Board quarterly after reviewing the current and future expected financial performance of the Group. As mentioned in #1, we have some disruptions in the supply chain and unexpected rebounding customer demands. Padini always needs to ensure flexibility and sufficiency of cash flows to meet its business operation needs, balancing the risk of the uncertainty of the market as well as its future expansion plan.



## Question 3:

entitlement to overtime benefits from RM2,000 to RM4,000, have been postponed to 1 January 2023. To what extent do the amendments impact the group The implementation of the new amendments to the raising the monthly salary threshold for employees' Employment Act 1955, which include the reduction of weekly working hours in Malaysia from 48 to 45 hours and financially when the new amendments are enforced?

## Response:

The changes from 48 hours to 45 hours do not have much impact to Padini. For the changes of threshold for the overtime benefits from RM2,000 to RM4,000, we are still studying the scenario and have not finalised the proposals, and hence we are unable to quantify the financial impact at this juncture.





## Question 4:

serve on the board as a non-independent director. One of ndependent director beyond nine years to continue to the company's independent directors has served more than nine years and another two of them will reach the ast year's AGM and the Board responded that this Practice 5.3 of Malaysian Code on Corporate Governance 2021 encourages companies to provide justification and seek annual shareholders' approval through a two-tier voting process if the Board intends to retain an 2023 respectively. We had raised a similar question at matter would be deliberated again in the board meetings. Please explain why a two-tier voting process is not adopted when seeking shareholders' approval to retain term limit of nine years on 5 January 2023 and 1 May the independent directors at the upcoming AGM?

## Response:

Noted on the recommendations. This matter has been deliberated in the board meetings and we were guided by a legal opinion in last year and had disclosed in Corporate Governance Report 2021. Nevertheless, we have disclosed that we are departing from the recommended practice and will be rectified within one year (Page 31 of Corporate Governance Report 2022).







PADINI HOLDINGS BERHAD (197901005918 (50202-A))
41st AGM – 25/11/2022
Appendix IV
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Questions raised by shareholders / proxies	Board of Directors / Management's response
What is the key performance metrics that need to be achieved by these Directors for the ESOS to be granted?	Ms Sung Fong Fui informed that an ESOS Committee will be formed to oversee the allocation of the ESOS options. She informed that the allocation matrix has not been established yet.
How does GE/GST/fuel subsidy will impact the company especially in terms of logistic/ demand?	The Chairman informed that these factors will have various impacts on the Group's logistic partners. He informed that the Group has managed the factors well all this while.
What is the company's plan to do with the cash? Or do you have any big capex plan?	Ms Sung informed that as the Group is expecting inflation and economic uncertainties, the cash will be retained for future requirement and expansion. The Chairman added that the strong cash position has helped the Group to weather through the uncertainties and difficulties faced during the pandemic period and the slowdown in the economy. The strong cash position also puts the Group in a better position in dealings with its suppliers and bankers.
What is the latest inventory level?	The Chairman informed that this matter has been addressed in the Annual Report and the reply to MSWG presented earlier.
What is the company's view on the recent appreciation of MYR-RMB has affected Padini and if the impact will be reflected in Q4 number?	The Chairman commented that exchange rates will fluctuate from time to time. He informed that suppliers do not change the costing due a spike in the monthly exchange rate. He added that the Group has managed various factors affecting the business, including the fluctuation in exchange rates (whether positive or negative impact), as a normal course of business.
Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting.	Mr Andrew Yong informed that the Company will be sending e-vouchers to all shareholders and the details will be announced on the Company's website. Shareholders can register their details via the link provided on the Company's corporate website, by the end of November 2022.
Please send hardcopy of annual report.	The Chairman informed that the Annual Report will be sent out to the shareholders who have made their request and given their details to the Company.
<ol> <li>Is Parkson a serious competitor?</li> <li>Are discount stores a threat?</li> </ol>	Mr Benjamin Yong informed that Parkson is still a competitor. As for the discount stores, it will depend on the price and merchandise mix.

## PADINI HOLDINGS BERHAD (197901005918 (50202-A))

41st AGM – 25/11/2022 Appendix IV Page 2

Questions raised by shareholders / proxies	Board of Directors / Management's response		
How is business outlook in next 3 months?	The Chairman informed that details on the business outlook has been disclosed/elaborated in the Annual Report. He added that the business outlook remains uncertain due to factors such as the effects from the Ukraine war, rising oil prices, inflation and lockdowns in China due to Covid-19, amongst others. He added that the Group has shown that they have managed through the challenges from the pandemic. He said that uncertain outlook will be managed by the Group in the normal course of business		
The drop in China visitors has a serious impact?	Mr Benjamin Yong informed that the reduction of tourists from China has a relatively minimal impact to the Group.		
May I know how many stores are planned to open in 2023 and where?	Mr Benjamin Yong informed that the estimated outlets to be opened is between 5 to 10. The locations have not been finalised.		
How much does the company spend on this virtual AGM ? May I know when the Company going back to physical AGM?	Ms Sung informed that the cost was approximately RM20,000. She added that depending on the circumstances, the Board will consider to hold physical meeting next year. The Chairman added that a hybrid meeting would also be considered.		
Why the Chairman said all the resolutions had been approved?	The Chairman mentioned that the resolutions will only be voted on later and the poll administrator will be compiling the results at the end of the voting session.		
News reported that economy is facing a slowdown in growth and inflation has caused the drops in consumer purchasing powers. Do Padini experiencing these effects over the past few months?	The Chairman informed that the market segments that the Group operates is more resilient to these uncertainties. The Group had also reported commendable Revenue and Profits during the pandemic period. He was of the view that the Group will continue to perform satisfactorily.		
What can shareholders expect from the Directors performance with reference to your fees, benefits etcIncrease of dividends, frequency, door gift eg ewallet etc	The Chairman informed that the Group's performance remained good and this is the result from not only the contribution of the Directors but the employees as well. He added that Directors' fees had hardly increased over the years despite rising inflation rates. He informed that the increase in the Directors' fees was mainly due to the increase in the number of Independent Directors.		
You are issuing ESOS shares, how about bonus issue for shareholders?	The Chairman informed that the proposed ESOS is an incentive for the employees to work harder and contribute to the performance of the Company, which will result in better profits and share prices for the shareholders. As for bonus issue, this will be looked into by the Directors from time to time.		

PADINI HOLDINGS BERHAD (197901005918 (50202-A))
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Questions raised by shareholders / proxies	Board of Directors / Management's response		
Are you confident you will achieve pre-pandemic revenue levels in FY2023?	The Chairman commented that it will be a continuous challenge for the Group in 2023 but he assured that the Group will try to achieve the best results for the shareholders.		
Is there a compelling evidence to show the effectiveness of ESOS to retain talents / employees? How many of the participated employees continue to stay with the company and for how long? My experience with ESOS is that it is not an effective tool to retain talents thus far. In addition, share options may create distraction from work to monitoring share prices.	The Chairman commented that many listed companies have experienced positive effects from ESOS. He informed that the proposed ESOS has yet to be established and thus there is no projected numbers. He was of the view that each individual will react differently to the ESOS, which is beyond the Directors' or Management's control.		
Why is there not a proper physical meeting? Are you trying to avoid questions? If the shops are open there is no reason not to have shareholders present.	The Chairman informed that the Company is not avoiding questions by conducting the virtual meeting. He informed that many companies are still carrying out virtual meetings, for the safety of the participants.		
	The Chairman commented that each individual has their own assessment of their safety. The Directors took into consideration the safety of the shareholders in making the decision to conduct the AGM virtually.		
What is the 30 million investments in funds under other investments?	Ms Sung informed that this is a secured deposit placed with OCBC Bank (Malaysia) Bhd, a type of financial instrument held until maturity.		
How is the attendance rate compare with physical AGM and virtual AGM? Will attendance rate as a main consideration to choose among physical or virtual AGM?	Ms Sung informed that the attendance rate is almost similar. The Chairman informed that the safety of the shareholders is the primary consideration when deciding the conduct of the AGM.		
There seem to be a lack of focus on the shoes section (VINCCI) in the recent years. Please elaborate on this business segment and the plans for VINCCI going forward.	Ms Chew Voon Chyn informed that Vincci has stand-alone stores (not within Padini Concept Store), depending on the rental rates and locations. Thus she was of the view that there is no lack of focus in the shoe segment. She informed that there has been a growth in the bag segment as well and added that Vincci has also placed their focus on that area too.		
E meeting is good suggestion to allow outstation investors to attend the meeting and cost effectively. In the future, hopefully there will be hybrid model.	The Chairman informed that the Directors will consider the suggestion when deciding on the AGM for 2023.		

## Appendix V

Resolution(s)	Vote For	%	Vote Against	%
Ordinary Resolution 1	494,660,001	98.0553	9,810,493	1.9447
Ordinary Resolution 2	494,637,799	98.0517	9,828,395	1.9483
Ordinary Resolution 3	494,627,499	98.0547	9,812,695	1.9453
Ordinary Resolution 4	497,101,030	98.5379	7,375,767	1.4621
Ordinary Resolution 5	457,876,084	97.3403	12,510,987	2.6597
Ordinary Resolution 6	497,084,228	98.5369	7,381,069	1.4631
Ordinary Resolution 7	500,275,667	99.1672	4,201,130	0.8328
Ordinary Resolution 8	494,373,777	97.9977	10,101,020	2.0023
Ordinary Resolution 9	351,525,267	69.6874	152,906,530	30.3126
Ordinary Resolution 10	434,258,841	86.0887	70,172,956	13.9113
Ordinary Resolution 11	465,850,341	99.0387	4,521,730	0.9613
Ordinary Resolution 12	335,431,649	66.4983	168,989,744	33.5017
Ordinary Resolution 13	33,590,199	16.5735	169,083,744	83.4265
Ordinary Resolution 14	33,590,199	16.5735	169,083,744	83.4265
Ordinary Resolution 15	33,590,199	16.5735	169,083,744	83.4265
Ordinary Resolution 16	33,590,199	16.5735	169,083,744	83.4265
Ordinary Resolution 17	33,591,199	16.5740	169,082,744	83.4260
Ordinary Resolution 18	335,269,449	66.4753	169,082,744	33.5247
Ordinary Resolution 19	33,590,199	16.5735	169,083,744	83.4265