

PADINI HOLDINGS BERHAD

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

INTEGRATED ANNUAL REPORT

2 0 2 4

ABOUT THIS REPORT

We are pleased to present Padini Holdings Berhad's ("Padini" or "the Group") integrated Annual Report ("IAR") for the financial year ended 30 June 2024.

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

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



REPORTING FRAMEWORKS

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

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

SCOPE AND BOUNDARIES

The report disclosures encompass all business entities in which the Group has full control in Malaysia as well as Group's subsidiaries in Hong Kong, Cambodia and Thailand. This report covers information and activities for the reporting period from 1 July 2023 to 30 June 2024, unless otherwise stated.

ASSURANCE

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

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

MATERIALITY

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

About This Report (Cont'd)

FORWARD-LOOKING STATEMENT

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

BOARD APPROVAL

The Board acknowledges its responsibility and accountability for the integrity of this Integrated Annual Report and collectively reviewed this report as guided by the IIRC and approved the Integrated Annual Report on 18 October 2024.

FEEDBACK

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

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

Tel: 03-5021 0500

Fax: 03-7805 1066

Email: ir@padini.com

43rd ANNUAL GENERAL MEETING



Glenmarie Ballroom
Glenmarie Hotel & Golf Resort Malaysia
No 1, Jalan Usahawan U1/8
Seksyen U1
40250 Shah Alam
Selangor Darul Ehsan



Date: 27 November 2024

Time: 10.00 am



INTEGRATED ANNUAL REPORT

Our Integrated Annual Report 2024 is accessible at corporate.padini.com or by scanning this QR code.

NAVIGATION ICONS

OUR CAPITALS



Natural Capital



Human Capital



Social and
Relationship Capital



Financial
Capital



Intellectual Capital

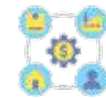


Manufactured Capital

OUR GROWTH STRATEGY



Sustainable Product
Differentiation



Strengthening
Value Chain



Market Responsive



Empowering Talents



Community Giving

OUR STAKEHOLDERS



Local Communities
and Public



Shareholders and
Investors



Government and
Regulatory Authorities



Customers



Employees



Suppliers



Shopping Malls

INSIDE THIS

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[Proxy form](#)

CORPORATE PROFILE

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

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

Today, we have grown to become one of the country’s prominent fashion companies. Padini is listed on the Main Market of Bursa Malaysia and year-on-year market capitalisation has grown to RM2.4 billion as of 30 June 2024. In total, we have over one hundred forty (140) stores in Malaysia, six (6) stores in Cambodia, seven (7) stores in Thailand and nineteen (19) franchise stores in multiple markets around the world such as Brunei, Bahrain, Oman, Qatar and United Arab Emirates. Our brands are also available online via our e-Commerce sites in Malaysia and Singapore.

Despite our growth in size, we have consistently strived and will continue to strive, to focus our efforts to have the best valued products, whilst practicing responsibility and sustainability.



QUICK FACTS ABOUT PADINI

PUBLIC
LISTED IN
**BURSA
MALAYSIA**
SINCE **1998**

153
OWN STORES
GLOBALLY

APPROX
3,400
EMPLOYEES
GLOBALLY

ESTABLISHED
COMPANY SINCE
1971

>RM147
MILLION IN
PROFIT
AFTER TAX

>RM1.9
BILLION IN
SALES



OUR VISION

To Be the Best Fashion Company Ever

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



OUR MISSION

To Exceed Customers' Expectations and Our Brands' Promise

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

OUR CORE VALUE

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



OUR CULTURE

<ul style="list-style-type: none"> Accountable, dare to face challenges, responsible and make best judgement to fulfill brand promise and exceed customer satisfaction <p>Self-Confidence </p>	<ul style="list-style-type: none"> Simplify everything systematically, set priority for optimum efficiency <p>Simplicity </p>	<ul style="list-style-type: none"> Adaptability to change, react swiftly to the dynamic environment and delivery quality work <p>Speed </p>	<ul style="list-style-type: none"> Believe in vision, core purpose and values of Padini and consistently in practising these beliefs <p>Consistency </p>
<ul style="list-style-type: none"> Respect, energise, entrust, recognise and appreciate contributions among team members, across teams and departments <p>Teamwork </p>	<ul style="list-style-type: none"> Always enthusiastic to learn, unlearn, relearn and be open minded and share all issues and knowledge <p>Learning Culture </p>	<ul style="list-style-type: none"> Always remain positive in mind and languages, practice open, patient and respectful communication with appropriate response <p>Communication </p>	

CORPORATE MILESTONES

2024

Comfortable and durable series were launched;

More series featuring popular character collaborations were launched



2023

Sustainability series were launched



2017

Cambodia Market was expanded



2019

Thailand Market was expanded



2020

Started selling via Lazada, Facebook Live and Shopee

2021

Padini App was launched and expanded



Expanded e-Commerce in Singapore

2012

Entered Myanmar Market

2011

Entered Bahrain, Egypt and Morocco Market

2010

Entered Qatar and Pakistan Market

2009

Entered Syria Market

2004

Entered Main Board of Bursa Malaysia



2005

Entered Indonesia, UAE and Cambodia Market

2006

BRANDS OUTLET was launched



2007

Entered Oman Market

Corporate Milestones
(Cont'd)

1975

PADINI was founded and entered the retail industry



1971

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

1981

VINCCI was launched



1987

MIKI was launched



1990

SEED was launched



1998

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

1993

PADINI AUTHENTICS was launched



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

1992

PADINI HOLDINGS SDN BHD was established



1999

P&CO and **PDI** were launched

PADINI CONCEPT STORE
The first of the Group's multi brand shops.



2000

Entered Brunei Market

2001

Entered Thailand Market

2003

Entered Philippines and Saudi Arabia Market

OUR BRANDS PORTFOLIO

PADINI CONCEPT STORE

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



PADINI

Modern and simple work wear essentials



PDI

Casual wear



PADINI AUTHENTICS

Comfort and laidback style
campus-wear



SEED

Trendy yet comfortable



P&Co

Fashion forward for girls and ladies



MIKI

New-born and toddler wear



VINCCI PRINI

Children footwear and bags



VINCCI

Ladies footwear and bags



VINCCI accessories

Ladies' accessories

Our Brands Portfolio
(Cont'd)

BRANDS OUTLET



Accessories



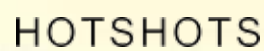
(Newborn products)



(Ladies' trendy wear)



(Kids Boy)



(Kids girl)



(Adult polo and Khaki pants)



(Men's boardshort)



PORTOFINO

(Adult sport and active wear)



(Adult casual wear)



(Adult tee shirts and denim bottom)



(Ladies' shoe, lounge wear and undies)



(Men's work wear)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman, Independent
Non-Executive Director:
Datuk Lee Say Tshin
*(Redesignated as Chairman on 1
January 2024)*

Managing Director,
Executive Director:
Mr Yong Pang Chaun

Executive Directors:
Mr Andrew Yong Tze How
Mr Benjamin Yong Tze Jet
Ms Chew Voon Chyn
Ms Sung Fong Fui
Mr Christopher Yong Tze-Yao

Independent Non-
Executive Directors:
Ms Tan Shi Wen
Ms Tan Poh Ling
Mr Timothy Tan Heng Han
Mr Ng Chee Hoong
(Appointed on 1 January 2024)
Mr Chia Swee Yuen
(Resigned on 31 December 2023)
Mr Lee Peng Khoon
(Resigned on 31 December 2023)

COMPANY SECRETARIES

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

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
Email : esprit@espritms.com.my

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
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

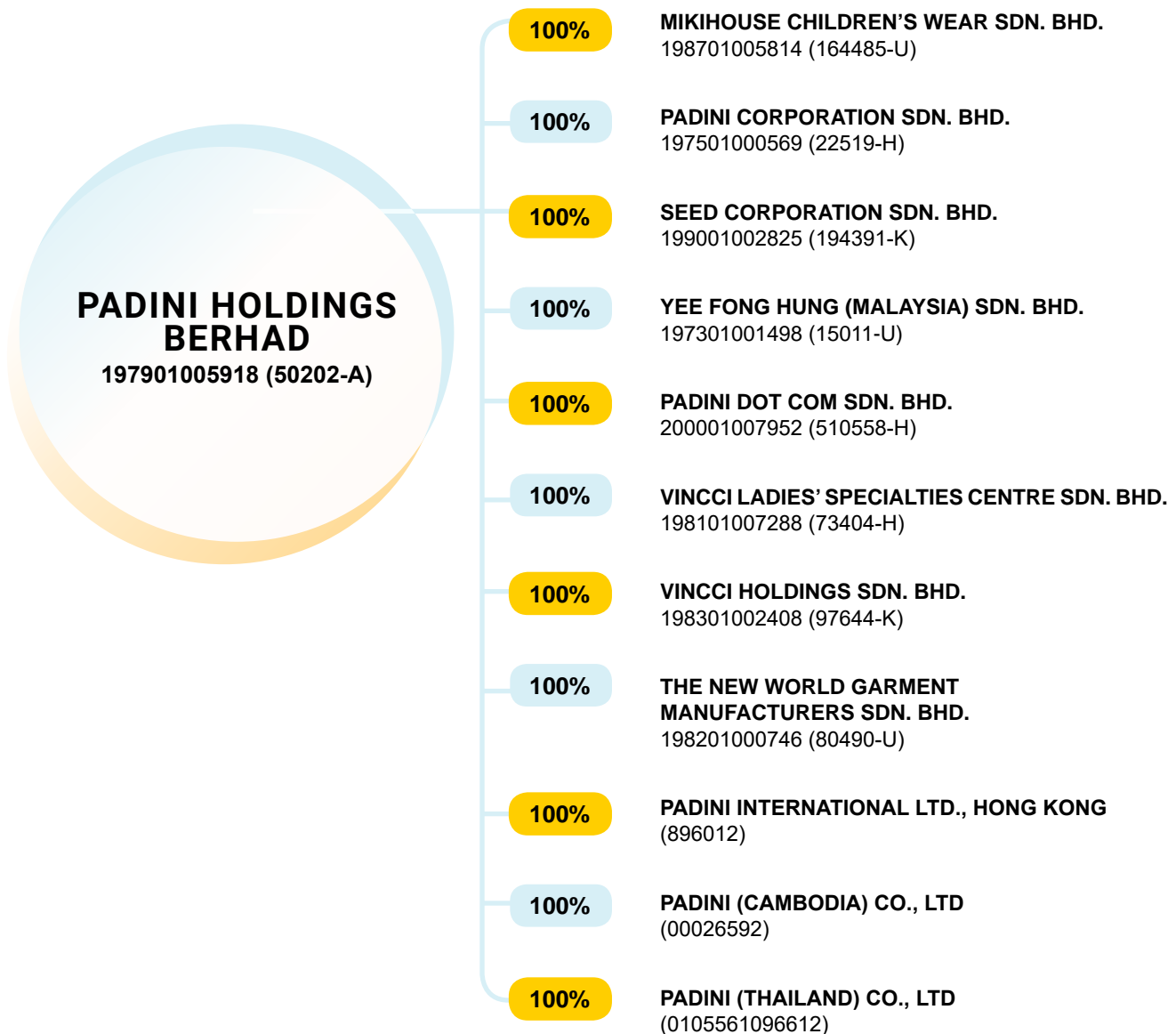
Main Market
Bursa Malaysia Securities Berhad

AUDITORS

BDO PLT
Chartered Accountants



CORPORATE STRUCTURE



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

100%

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

100%

PADINI CORPORATION SDN. BHD.
197501000569 (22519-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)

AWARD AND RECOGNITION

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

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



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

(Top 30 of Malaysia's most valuable brands)



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

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



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

(Highest returns to shareholders over three years)



2019 MRCA Billion Dollar Club Award by Malaysia Retail Chain Association



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



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



Award and Recognition
(Cont'd)

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

Forbes Asia Top 200 Mid and Small Size Public Listed Company



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Rewards recognised by Business Partner:

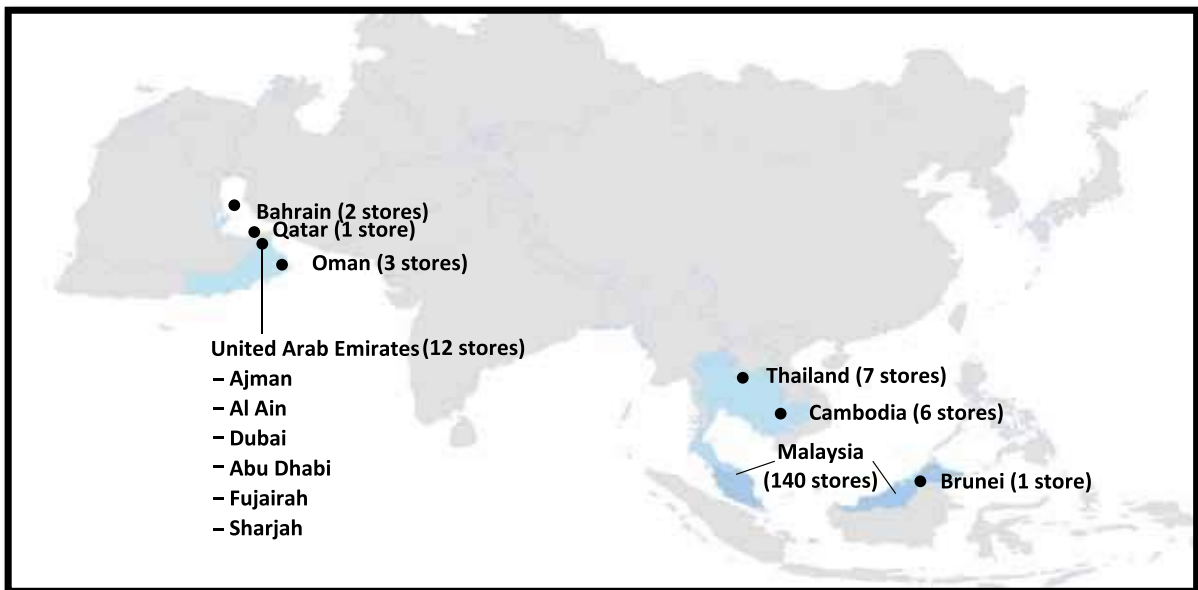
1. 2000 & 2001 Retail Awards of Excellence by Suria KLCC
2. 2007 (Padini Authentics Aeon Cheras Selatan) Retailer of the Year Award by AEON
3. 2008 (Seed) THE CLEO fashion award
4. 2010 (Padini Concept Store) Outstanding Business Partner by Sunway Pyramid
5. 2011 Best Decorated Store by Capital Malls
6. 2013 (Padini Concept Store) Hot Shop Awards by Queensbay Malls
7. 2015 (PDI) Highest Sales Growth Award by AEON
8. 2017 (Vincci) Outstanding Performance Award by 11street
9. 2017 (Padini Concept Store) Highest Sales Growth by Palm Mall
10. 2018 (Brands Outlet) Best Performance by Palm Mall
11. 2022 (PADINI) Green Tenant Awards by IPC Shopping Centre
12. 2023 (Padini Concept Store) Best Performance by Palm Mall
13. 2024 (Padini Holdings Berhad) Most Supportive Business Partner by Sunway
14. 2024 (Padini) Best In-Store Experience by Sunway



OUR PRESENCE

Since its establishment in 1971, Padini has expanded its reach and evolved into a global brand with an international presence across multiple countries. We now have one hundred forty (140) stores in Malaysia and various overseas markets including Cambodia, Thailand, Bahrain, Brunei, Oman, Qatar and the United Arab Emirates.

As of 30 June 2024



As our initiative is to build our online presence, we are also available online via our e-Commerce site Padini.com. In the financial year 2021, we launched Padini mobile application to provide frictionless e-shopping experience to our customers and continuous improvement on the application is made from time to time. Our own website is not restricted to only locals, but also expanded to Singapore.

While we may have grown in size, we will continue to strive to offer the best fashion, quality and value to our customers.

PADINI.COM

Download our Padini App

GET IT ON Google Play

Download on the App Store

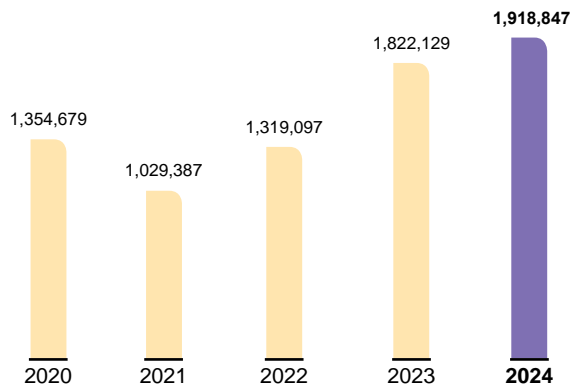
EXPLORE IT ON AppGallery

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

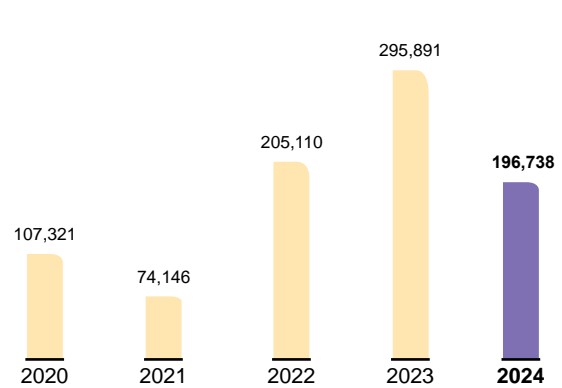
	2024	2023	2022	2021	2020
Amounts in RM thousand (RM'000) unless otherwise stated					
Revenue	1,918,847	1,822,129	1,319,097	1,029,387	1,354,679
Increase/(Decrease) in revenue	96,718	503,032	289,710	(325,292)	(428,343)
Increase/(Decrease) in revenue (%)	5.3%	38.1%	28.1%	(24.0%)	(24.0%)
Profit before tax	196,738	295,891	205,110	74,146	107,321
(Decrease)/Increase in profit before tax	(99,153)	90,781	130,964	(33,175)	(111,944)
(Decrease)/Increase in profit before tax (%)	(33.5%)	44.3%	176.6%	(30.9%)	(51.1%)
Profit attributable to equity holders of the Company	146,595	222,691	154,103	54,057	75,174
(Decrease)/Increase in profit attributable to equity holders	(76,096)	68,588	100,046	(21,117)	(84,992)
(Decrease)/Increase in profit attributable to equity holders (%)	(34.2%)	44.5%	185.1%	(28.1%)	(53.1%)
Net assets	1,111,110	1,040,088	891,050	801,786	765,780
Changes in net assets	71,022	149,038	89,264	36,006	25,436
Changes in net assets (%)	6.8%	16.7%	11.1%	4.7%	3.4%
Deposits, cash and bank balances	791,040	605,315	808,853	523,758	441,474
Interest bearing borrowings	13,495	3,994	379	653	2,546
Net assets per share (sen)	168.9	158.1	135.4	121.9	116.4
Changes in net assets per share (sen)	10.8	22.7	13.5	5.5	3.9
Changes in net assets per share (%)	6.8%	16.7%	11.1%	4.7%	3.4%
Basic earnings per share (sen)	22.28	33.85	23.42	8.22	11.43
Changes in basic earnings per share (sen)	(11.6)	10.4	15.2	(3.2)	(12.9)
Changes in basic earnings per share (%)	(34.2%)	44.5%	185.1%	(28.1%)	(53.1%)
Dividend per share (sen)	11.5	11.5	10.0	2.5	7.5
Changes in dividend per share (sen)	–	1.5	7.5	(5.0)	(4.0)
Changes in dividend per share (%)	–	15.0%	300.0%	(66.7%)	(34.8%)
Gross Profit Margin (%)	36.2%	39.4%	38.5%	37.8%	39.7%
Net Profit Margin (%)	7.6%	12.2%	11.7%	5.3%	5.5%
Dividend payout ratio (%)	51.6%	34.0%	42.7%	30.4%	65.6%

Fiver Years Group Financial Highlights (Cont'd)

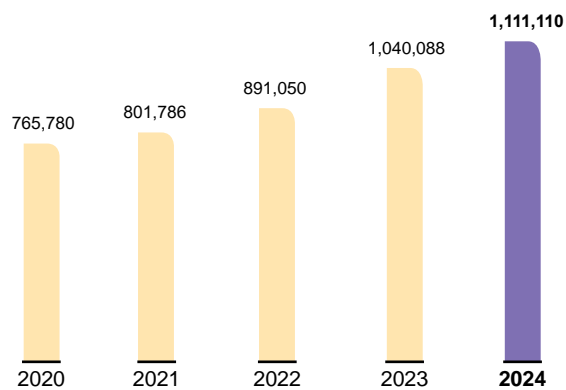
REVENUE (RM'000)



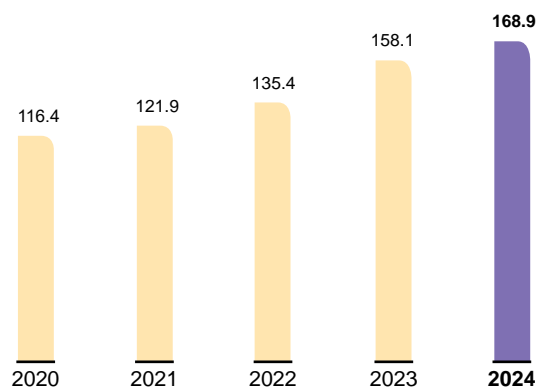
PROFIT BEFORE TAX (RM'000)



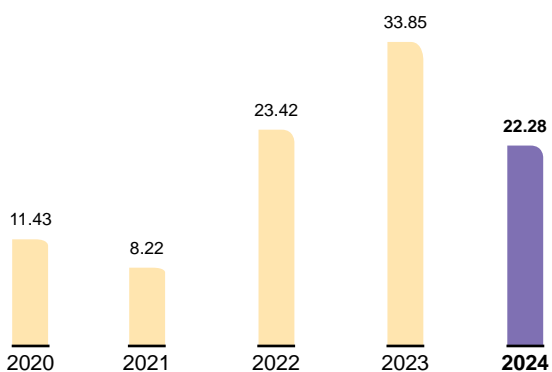
NET ASSETS (RM'000)



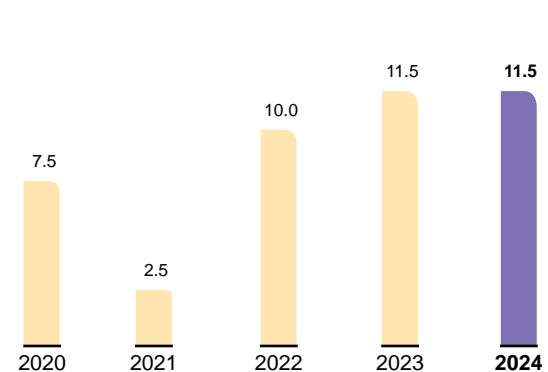
NET ASSETS PER SHARE (sen)



EARNINGS PER SHARE (sen)



DIVIDEND PER SHARE (sen)



BUSINESS HIGHLIGHTS

	2024	2023	2022	2021	2020
	(Square feet)	(Square feet)	(Square feet)	(Square feet)	(Square feet)
Floor area operated (Malaysia) **^	1,412,000	1,362,000	1,387,000	1,350,000	1,477,000
Floor area operated (Thailand) **^	12,000	12,000	12,000	12,000	11,000
Floor area operated (Cambodia) **^	65,000	65,000	41,000	41,000	41,000

* As at 30 June

^ Rounded in thousand

AUGUST 2023



Vincici
Johor Bahru City Square
New Opening

SEPTEMBER 2023



VNC
Bangkapi (Thailand)
New Opening

OCTOBER 2023



Portofino
Queensbay Mall
New Opening



Padini Concept Store
Johor Bahru City Square
New Opening



Vincici
Ipoh Parade
New Opening



Padini Concept Store
Aeon Mall Ipoh Klebang
New Opening

Business Highlights (Cont'd)

NOVEMBER 2023



Vincci
Aeon Mall Kota Bharu
New Opening

DECEMBER 2023



Brands Outlet
Johor Bahru City Square
New Opening

APRIL 2024



Padini Concept Store
Batu Pahat Mall
New Opening



Padini Concept Store
Aeon Mall Cheras Selatan
New Opening



Padini Concept Store
Sunway Big Box
New Opening














Padini Concept Store
Plaza The Exchange TRX
New Opening



Vincci
Plaza The Exchange TRX
New Opening

NON-FINANCIAL HIGHLIGHTS

<p>A total of approximately 648,700 eco-friendly footwear and apparel units were procured</p> 	<p>LED lighting solutions offering a reduction in energy consumption of 49% wattage in lighting of each store</p> 	<p>Nearly 585 hours spent by employees on volunteering</p> 
<p>Approximately RM499,000 allocated for training programmes encompassing all employees</p> 	<p>100% Employees participated in training focused on The Whistleblowing Policy and Anti-Bribery And Anti-Corruption Policy</p> 	<p>Approximately RM221,000 (cash and in kind) has been donated which included approximately 1,900 cartons of clothing were given as donations</p> 
<p>Employee Wages & Benefits approximately amounted to RM228 million Employee discounts ranging from 20% to 40% of Padini products</p> 	<p>Payment To Governments (Direct Tax) more than RM65 million</p> 	<p>Total of 19 NGOs Benefited</p> 
<p>Biodegradable Plastics Bags at All Stores. Recycled and sustainable Paper Bags, hand tags and shoe boxes at Vincci Stores</p> 	<p>Approximately 1,600 of Covid-19 tests kit donated</p> 	<p>Total 4.2gWh Clean Energy produced from Solar Installation</p> 

(The information presented is derived from the period of 1 July 2023 to 30 June 2024)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my pleasure to present the Integrated Annual Report and the Audited Financial Statements of Padini Holdings Berhad and its subsidiaries ("Padini" or "the Group") for the financial year ended 30 June 2024.

Revenue

RM1.92 billion

FY2023: RM1.82 billion

Profit before tax

RM196.74 million

FY2023: RM295.89 million

Earnings per share

22.28 sen

FY2023: 33.85 sen

GROUP PERFORMANCE OVERVIEW

The Group maintained commendable performance in the financial year 2024 despite the challenging business climate caused by rising living costs, higher goods prices and increased interest rates.

For the financial year under review, the Group achieved a consolidated revenue of RM1.92 billion, marking a 5.3% growth compared to the previous year's revenue of RM1.82 billion. Despite facing challenges from a volatile global environment, the domestic market continued to progress, supported by strong household spending. Changes to the Employment Act 1955 in Malaysia, which included salary adjustments to the staff and other escalating inflationary employment condition, led to an overall increase in employment expenses. As a result, despite the Group's revenue growth, profit before tax decreased by 33.5% compared to the previous financial year.

Throughout the past year, most countries worldwide transitioned towards COVID-19 endemicity, a defining milestone that brought an end to the era of highly uncertain and disruptive activities. This shift towards endemicity paved the way for the gradual reopening of economies, the easing of travel restrictions and the revival of social interactions. This shift towards endemicity also brought about certain challenges. One notable consequence has been an unprecedented surge in consumer goods demand which surpasses available supply. 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. Overall, the Group's performance reflects its resilience and ability to thrive amidst challenging circumstances, showcasing its effective strategies and adaptability in an ever-changing economic landscape.

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, have 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. Nevertheless, there is an indirect impact on Padini arising from the inflationary cost pressure. Padini will continue to strategise to adapt to the changing economic conditions and manage potential challenges arising from the global economic situation to ensure sustained growth and profitability.

During the year, Padini had experienced delay in certain shipments arising from unrest caused by the embattled government of Bangladesh. Padini was able to manage this supply chain issue by having sufficient inventory level and buffer lead time.

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

Chairman's Statement (Cont'd)

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 sustained high energy costs, especially in Europe, it is a major concern that weak, and possibly recessionary, economic conditions are triggered in many countries.

China, the second largest economy in the world, is the latest country to be significantly impacted by the geopolitical-economic tensions. The significant slowdown in their economy will have a far-reaching impact on its trading partners, especially Asia.

Looking inward, the Group's domestic operations continue to be the main driver of revenue and profits. Malaysia continues to demonstrate resilience given the adverse global environment, inflation and rising prices, which affects consumers' purchasing power and lifestyle. Recent accelerated domestic GDP growth and stable domestic inflation rate give Malaysia a better competitive edge in the region. Additionally, Malaysia government initiated recent salary adjustment in public sector at coming year end should have sustained purchasing power and optimistically benefiting the consumer markets. These initiatives are expected to sustain higher consumer demand, driving domestic economic growth and enhancing the overall economic landscape.

We are committed to leveraging Malaysia's stable economic positions and favourable market conditions to maximise our performance. The Group will 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. A 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.

The Group is optimistic in successfully navigating through the challenging business environment and delivering 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, Mr Ng Chee Hoong, who we are confident, will be able to positively contribute his 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 Mr Ng.

We look forward to working collaboratively and achieving new milestones together.

APPRECIATION

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

I would also like to express my gratitude to my fellow Board members for their invaluable guidance and unwavering support to the Management. The Board extends sincere appreciation and thanks to Mr Chia Swee Yuen and Mr Lee Peng Khoon, who have stepped down from their positions on the Board after years of devoted service, acknowledging their significant past contributions to the Group.

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.

Datuk Lee Say Tshin
Chairman
18 October 2024



MESSAGE FROM MANAGING DIRECTOR

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



We are honoured to present the Integrated Annual Report of Padini Holdings Berhad Group for the financial year 2024. As Managing Director and Chairman of Sustainability Committee, I work closely with my team to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

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

ETHICAL AND RESPONSIBLE BUSINESS ETHICS

We believe that Padini not only upholds responsibility in accomplishment in business activities, but we are also mindful in focusing on communication with stakeholders in ethical and sustainable ways. With that, we have revisited the fifteen (15) identified sustainability material matters in the previous year which are vital to our business and stakeholders.

As we move forward, we intend to inculcate our sustainability governance and embed into our day-to-day lives' good sustainability practices within the Group. With this, the Board of Directors has endorsed the Group's sustainability agenda as one of the key priorities and will strive to promote environmental, social and governance (“ESG”) practices in our strategies. We ensure that the Group complies with applicable laws and regulations, and we promote open and transparent discussions, as well as constructive challenges on the Board and across the Group. We continually strive to ensure best practices are being maintained and that governance is integral to our strategy and decision-making processes for the benefit of our shareholders and other stakeholders.

CARING FROM THE HEART

Human capital is one of the important resources that Padini has placed high priority on. Being a responsible corporate who would like to take part in the growth progression of the nation, we placed emphasis on local hiring and helping vulnerable members of our communities, wherever we can, to make a difference. Salary reduction or retrenchment are never on our list thus far, regardless how tough conditions that we may have.

I am also pleased to share that we have improved the diversity of our overall company. In the financial year 2020, 'Live to Contribute' was launched as our company's initiative for an Inclusive Society. We continue this meaningful initiative by working closely with Non-Governmental Organisations and government agency such as National Blood Bank and Department for the Development of Persons with Disabilities, we have provided employment opportunities to the Person with Disabilities to demonstrate their full potential, a platform to better display their abilities and thereby encouraging and inspiring others in the society. This certainly would not work without the support of our internal team members, and such training was conducted to ensure a smooth transition working with our new members. We also continue to encourage our employees to volunteer and contribute to our community through our philanthropy programmes. We have taken a step further by sending some of our staff to learn sign languages to strengthen communications with our less abled staff.

Message from Managing Director (Cont'd)

During the past year, we have contributed RM221,000 in cash and in kind and approximates one thousand nine hundred (1,900) cartons (Equivalent to approximately 5,000 pieces) of clothing to charitable organisations. It is reassuring to witness the enthusiasm for Padini's sustainability journey from employees at all levels. Padini's success is built from our own financial performance and long-term profitability is only possible when we protect it through our actions on the environment and society.

CARING FOR NATURE

In the financial year 2023, Padini introduced eco-friendly products as part of our efforts and step towards mitigating climate change and preserving natural resources. By integrating these eco-friendly products into our brand's portfolio, we strive to inspire and encourage our customers to join us on the journey towards a more sustainable future. We believe that every small step matters, and together, we can make a significant contribution to the preservation of our planet for future generations. This initiative reflects our ongoing efforts, and we will continue to explore a wider range of eco-friendly products in the coming years.

The following section of the sustainability statement provides a more detailed view of Padini's initiatives in environmental, social and governance aspects.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all of those who form part of the Padini family for their work and effort. Your involvement and commitment are essential in keeping our challenges and dreams alive and in moving forward successfully. We will continue to pursue the sustainable development of society and our company through dialogue and proactive information disclosure to our stakeholders.

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

Mr Yong Pang Chaun
Managing Director
18 October 2024



PROFILE OF DIRECTORS

DATUK LEE SAY TSHIN

71 years of age, Malaysian, Male

- **Chairman of the Board**
(Appointed as Chairman on 1 January 2024)
- **Member of Audit and Risk Committee**
(Resigned as member on 1 January 2024)
- **Member of Nominating and Remuneration Committee**
(Resigned as member on 1 January 2024)
- **Independent Non-Executive Director**

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

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

He is an accomplished banker with over forty-eight (48) years of experience in banking industry, having held various positions in HSBC Bank Malaysia Berhad, including Managing Director of Strategic Business Development prior to his retirement in 2013. He is currently the Vice Chairman, Strategic Initiatives for HSBC Bank Malaysia Berhad. Datuk Lee also a Council Member of the Malaysia-China Business Council.

Other than his directorship with Padini Holdings Berhad, he is also the Independent Non-Executive Chairman of CJ Century Logistics Holdings Berhad and Independent Non-Executive Director of Alpha IVF Group Bhd. and IGB REIT Management Sdn. Bhd.

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

MR YONG PANG CHAUN

73 years of age, Malaysian, Male

- **Managing Director**
- **Key Senior Management**

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

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

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

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

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

Profile of Directors (Cont'd)

MR ANDREW YONG TZE HOW

43 years of age, Malaysian, Male

- **Executive Director**
- **Key Senior Management**

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

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

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

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

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

MR BENJAMIN YONG TZE JET

40 years of age, Malaysian, Male

- **Executive Director**
- **Key Senior Management**

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

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

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

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

Profile of Directors (Cont'd)

MS CHEW VOON CHYN

42 years of age, Malaysian, Female

- **Executive Director**
- **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.

MS SUNG FONG FUI

50 years of age, Malaysian, Female

- **Executive Director**
- **Key Senior Management**

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

She is currently holding the position of Group Chief Financial Officer in Padini Holdings Berhad. She is a member of the Malaysian Institute of Accountants and Fellow of Chartered Certified Accountant, UK.

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

She is currently a member of the ACCA Malaysian Advisory Committee since February 2022.

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)

MR CHRISTOPHER YONG TZE-YAO

38 years of age, Malaysian, Male

- **Executive Director**
- **Key Senior Management**

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

He graduated from Monash University, Victoria Australia in 2009, Mr Christopher Yong started his career in Brands Outlet as an Assistant Merchandising Manager. He was promoted as a Merchandiser in 2010 and subsequently a Senior Merchandiser in 2011. Mr Christopher Yong took a Managerial role in 2014 in Brands Outlet as an Assistant Merchandising Manager and was then promoted to a Brand Manager for Brands Outlet in 2015. His role as a Brand Manager includes merchandise planning, marketing strategies, outlet operations, outlet design, stock distribution, leasing, advertising and promotions, social media and overall strategic planning.

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

For the financial year under review, he has attended all four (4) meetings of the Board of Directors since his appointment.

MS TAN SHI WEN

37 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.

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

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

Profile of Directors (Cont'd)

MS TAN POH LING

54 years of age, Malaysian, Female

- **Chairman of Nominating and Remuneration Committee**
(Redesignated as Chairman on 1 January 2024)
- **Member of Audit and Risk Committee**
(Resigned as Chairman and redesignated as member on 1 January 2024)
- **Independent Non-Executive Director**

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

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

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

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

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

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

MR TIMOTHY TAN HENG HAN

43 years of age, Malaysian, Male

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

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

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

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

Other than his directorship with Padini Holdings Berhad, he is 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 NG CHEE HOONG

57 years of age, Malaysian, Male

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

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

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

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

Other than his directorship with Padini Holdings Berhad, he is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad. He was also the Independent Non-Executive Director of Pestech International Berhad and SSF Home Group Berhad and retired on 26 March 2024 and 10 October 2024, respectively.

For the financial year under review, he has attended all two (2) meetings of the Board of Directors since his appointment.

MR LEE PENG KHOON

(Resigned from Board on 31 December 2023)
(Information as at 31 December 2023)

71 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 three (3) meetings of the Board of Directors prior to his retirement from the board.

Profile of Directors (Cont'd)

MR CHIA SWEE YUEN

(Resigned from Board on 31 December 2023)

(Information as at 31 December 2023)

67 years of age, Malaysian, Male

- **Chairman of the Board, Independent Non-Executive Director**

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 three (3) meetings of the Board of Directors prior to his retirement from the board.

Profile of Directors (Cont'd)

Other Information

i. Family Relationship

Mr Yong Pang Chaun is the spouse of Ms Chong Chin Lin who is the substantial shareholder of the Company. Mr Andrew Yong Tze How, Mr Benjamin Yong Tze Jet and Mr Christopher Yong Tze-Yao are sons of Mr Yong Pang Chaun and Ms Chong Chin Lin. Ms Chew Voon Chyn is the niece of Mr Yong Pang Chaun as well as cousin to Mr Andrew Yong Tze How, Mr Benjamin Yong Tze Jet and Mr Christopher Yong Tze-Yao. 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 2024.

ii. Conflict of Interest

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

iii. Convictions for offences

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

iv. Material Contracts

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

v. No. of board meetings held

Five (5) Board meetings were held during the financial year ended 30 June 2024.

vi. Non-audit fee

There was a non-audit fee of RM6,900 were paid to BDO PLT 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 Scheme

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

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

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

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

ix. Acquisition of Land and building

On 19 July 2024, Padini Dot Com Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement to acquire a freehold land and building for a total cash consideration of RM5,000,000.

x. Proposed Bonus Issue of Shares

On 27 August 2024, the Company announced to Bursa Securities the proposed issuance of up to 328,954,750 new ordinary shares in Padini ("Padini Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every two (2) existing Padini Shares held on the Entitlement Date ("Proposed Bonus Issue of Shares").

The proposed Bonus Issue of Shares will be tabled for the shareholders' approval at the 43rd Annual General Meeting.

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 then ended.

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

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS

The following management discussion & 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 2024.

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATION

Padini's vision is to be the best fashion company ever in Malaysia and the region. Our mission is to exceed customers' expectations and our brands' 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. Attaining new customers is a good way to grow and getting existing customers to return is the lifeblood of any business. Consumers always have high expectations and have their pick when it comes to buying a product. We need to be ever iridescent in the eyes of consumers, to attract and retain their interest and increase the traffic to our retail stores and e-Commerce. As always, a good understanding of consumers' needs, and speed of delivery are of the utmost importance. The latest fashion trends need to be made available in store in the shortest time possible, at the right price, before 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.

While we are confident on the longer-term outlook, the immediate focus is on adapting to the changes of the market conditions, including challenges from cost inflationary pressure, volatile market sentiment, shopping behavior and meeting the customers' needs; prudent cost management at all operational levels and provide products that are good in value by increasing the efficiency throughout our value and supply chain.

While the Covid-19 pandemic in previous years undoubtedly brought significant challenges and disruption to business, it has also created new opportunities on acceleration of the digital transformation. 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. However, we believe our customers appreciate that the touch-n-feel and brick and mortar is an important platform to create wonderful experiences which would not be replicated in the digital world. We believe in working towards the direction where the brick and mortar model and online retail model complement each other to provide a richer shopping experience for our customers.

We have yet to see significant contribution from the sales to Singapore via our own digital retailing platform. Although the contribution is relatively small during the year, we are still positive to the long-term contribution from Singapore.

Process automation is another by-product arising from digitalisation. We are taking steps to improve automation in our warehouse operations. This is one of the key developments in the financial years 2023, 2024 and 2025. We have invested approximately RM20 million in these improvements during the financial years 2023 and 2024.

Management Discussion & Analysis (Cont'd)

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATION (CONT'D)

In addition, Padini is investing in a Radio Frequency Identification ("RFID") system for inventory tracking and management. RFID hardware and software have been installed at our warehouse and outlets and are currently in the testing phase before the official launch, and we are expecting the project to go live in the financial year 2025. We believe this total investment of more than RM10 million will lead to better efficiency in inventory management, eliminate limitations arising from shortage of workers, reduce human error and inventory losses.

To improve the efficiency of stock movement and logistics in both East Malaysia and Peninsular Malaysia, the Group plans to establish logistics hubs in East Malaysia, southern region and northern region. A warehouse which costs RM5 million in the southern region had been purchased subsequent to the financial year end. This development is anticipated between the financial years 2025 and 2029. The Group believes these hubs will help shorten lead times for stock transitions, improve top line growth and reduce carbon emissions.

Padini will continue to leverage technology on our business growth and setting business strategy in all aspects.

2. FINANCIAL RESULTS AND BUSINESS REVIEW

The following presents the Group's financial and business review for the financial year ended 30 June 2024 ("2024"), compared to the financial year ended 30 June 2023 ("2023").

Revenue and gross profit

For the financial year under review, the Group has performed well, despite the challenging business environment. The Group recorded consolidated revenue of RM1.92 billion, representing an increase of 5.3% over the previous financial year's amount of RM1.82 billion. Despite a revenue increase, profit before tax dropped by approximately RM99.2 million or 33.5% from the previous financial year's RM295.9 million. The decrease is partially due to rising staff costs and the decrease in the gross profit margin. Consequently, the total comprehensive income for the financial year attributable to the owners of the Company decreased by approximately 34.2% or RM76.1 million, compared to the amount of RM222.7 million achieved in the previous financial year.

The gross profit margin for the financial year decreased by 3.2%. The margin fluctuates due to various factors, including sales mix, types of promotion, types of product offer for sales, varied purchase cost and other related influences.

Other income

The primary factor contributing other income stream from interest income obtained from local financial institutions, constituting 55.5% of the total other income during the financial year 2024.

The other income of the Group increased by RM9.0 million or 33.8%, rising from RM26.6 million to RM35.6 million as compared to the financial year 2023. This increase is primarily due to the accretion of discount from deposits for leases of RM4.3 million and incentive of RM3.7 million received from the landlord to cover specific costs, such as renovation etc. during the financial year under review.

Operating expenses

Operating expenses before finance costs for the financial year under review amounted to RM508.6 million (2023: RM426.7 million) which is increased by RM81.8 million or 19.2% as compared to last financial year.

The increase is primarily a result of a RM45.4 million rise in salaries and employee incidental expenses due to salary increments and adjustments made in the second half of the financial year 2023. Depreciation increased by RM27.6 million due to the opening of thirteen (13) stores during the financial year under review. In addition, the increase in depreciation is also due to the renovation of eleven (11) stores, compared to five (5) stores in the last financial year. Besides these, we have increased spending on advertising and promotion by approximately RM3 million to enhance brand visibility. In addition, security expenses have been increased by approximately RM4 million to ensure safeguarding of our assets at the outlets.

Management Discussion & Analysis (Cont'd)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Finance costs

The Group's finance costs increased to RM25.4 million from RM21.7 million mainly attributable to the increase in interest expense on lease liabilities resulting from total thirteen (13) stores that were opened during the financial year 2024 as compared to eight (8) stores in the financial year 2023. In addition, the increase in finance costs was also due to increased hire purchase borrowing for warehouse automation which led to a rise in hire purchase interest expenses by RM0.3 million.

Tax expense

Tax expense of the Group decreased from RM73.2 million to RM50.1 million which is in line with the decrease in profit reported in 2024. The Group's effective tax rate in 2024 was 25% (2023: 25%) which approximates to statutory income tax rate of 24%.

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 the main products of the Group.

In the financial year 2024, the domestic market contributed approximately 96.6% of the Group's consolidated revenue (2023: 96.8%), while the overseas market contributed 3.4% (2023: 3.2%).

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

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 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	Financial Year Ended				
	30.6.2024 (RM'million)	30.6.2023 (RM'million)	30.6.2022 (RM'million)	30.6.2021 (RM'million)	30.6.2020 (RM'million)
Vincci Ladies' Specialties Centre SB					
Revenue	235.5	208.8	120.9	114.0	169.7
Profit/(Loss) before tax	41.5	49.6	19.8	(3.0)	16.1
Padini Corporation SB					
Revenue	610.3	608.1	460.2	340.0	440.1
Profit before tax	43.3	96.1	71.9	25.5	41.4
Seed Corporation SB					
Revenue	176.4	178.8	117.1	91.1	119.0
Profit before tax	15.6	31.4	15.9	5.1	5.9
Yee Fong Hung (M) SB					
Revenue	807.5	740.6	553.0	430.6	558.1
Profit before tax	75.4	95.0	77.2	30.2	32.0
Mikihouse Children's Wear SB					
Revenue	42.6	43.2	28.6	25.9	30.2
Profit before tax	4.4	8.8	6.0	3.3	5.0

All trading subsidiaries in the domestic market were in profitable position for the financial year 2024.

Management Discussion & Analysis (Cont'd)

2. 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, analysed according to our brands, and markets, as at the various dates indicated.

Brands – Domestic Market	As at 30.6.2024	As at 30.6.2023	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
Vincci, Vincci Accessories, Vincci Mini					
Free-standing stores	20	18	13	12	15
Consignment counters	1	1	1	1	1
Seed					
Free-standing stores	–	1	1	1	1
Consignment counters	3	3	3	3	3
Padini Authentics					
Free-standing stores	1	2	2	2	2
Consignment counters	3	3	3	3	3
PDI					
Free-standing stores	7	8	9	9	9
Padini					
Free-standing stores	–	1	1	1	1
Consignment counters	2	2	2	2	2
Miki Kids					
Consignment counters	1	1	1	1	1
P&Co					
Consignment counters	1	1	–	–	–
Brands Outlet	52	50	52	49	55
Padini Concept Stores (Multi-brands)	49	44	45	46	48
Total	140	135	133	130	141

In the domestic sector, the Group had as at 30 June 2024, a total of one hundred forty (140) retail stores divided into twenty-eight (28) single-brand stores, forty-nine (49) Padini Concept Stores, fifty-two (52) Brands Outlet stores and eleven (11) 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 2024 opened six (6) Padini Concept Stores, one (1) Brands Outlet store and five (5) Free-standing stores. There were one (1) Padini Concept Stores and six (6) Free-standing stores closed during the financial year as part of the strategy to maximise return on equity and streamline operation. Of the six (6) free-standing stores that were closed during the financial year, five (5) were in the same shopping mall and were closed with the intention of converting them into Padini Concept Stores.

Management Discussion & Analysis (Cont'd)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Retailing – Domestic and Abroad (Cont'd)

During the financial year under review, eleven (11) stores were temporarily closed for renovation and relocation for the purpose optimising the store layout and enhance customers' shopping experience. These eleven (11) stores have been reopened during the financial year. Additionally, another five (5) stores were temporarily closed as of year-end for renovation, with plans to reopen them in the first quarter of the financial year 2025.

As at 30 June 2024, the total gross floor area operated by the Group in Malaysia was about 1,412,000 square feet (2023: 1,362,000 square feet), of which 737,000 square feet (2023: 697,000 square feet) and 619,000 square feet (2023: 610,000 square feet) respectively were for the Padini Concept Stores and Brands Outlet stores, whilst the balance were for our single-brand stores.

For the overseas market, our presence is established through either managed by our own management ("own-managed overseas stores") or licensees ("Franchise stores") arrangements.

For own-managed overseas stores, products are sold through retail stores and external online portals such as Shopee and Facebook live. In the financial year 2023, we discontinued our Facebook live sales in Cambodia to achieve greater cost efficiency. The number of own-managed overseas stores are as follows:-

	As at 30.6.2024	As at 30.6.2023	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
Cambodia					
Brands Outlet	3	3	2	2	2
Padini Concept Stores	3	3	2	2	2
Total	6	6	4	4	4
Thailand					
VNC	7	7	7	7	7

Revenue generated from own-managed overseas outlets accounted for 2.5% (2023: 2.4%) of the Group's consolidated revenue, which increased by RM4.2 million from RM43.0 million to RM47.2 million as compared to the financial year 2023.

As at 30 June 2024, the total gross floor area operated by the own-managed overseas stores was about 77,000 square feet (2023: 77,000 square feet). During the financial year, no new stores were opened or closed in Cambodia. In Thailand, one (1) Free-standing store was opened and one (1) was closed during the financial year under review.

In absolute value terms, sales generated from overseas markets had increased by approximately RM7.0 million (2023: RM4.9 million) as compared to last financial year, mainly due to the increase in sales of own-managed overseas business.

Management Discussion & Analysis (Cont'd)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Retailing – Domestic and Abroad (Cont'd)

The Group's consolidated revenue derived from licensees amounted to 0.9% (2023: 0.8%). 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 30.6.2024	As at 30.6.2023	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
ASEAN:					
Brunei	1	1	1	1	1
Myanmar	–	3	3	3	3
Indonesia	–	–	–	–	8
UAE	12	15	15	14	15
Oman	3	4	4	3	3
Qatar	1	1	1	2	2
Bahrain	2	2	1	1	1
Total	19	26	25	24	33

The decrease in the number of overseas franchisee stores managed by licensees was mainly due to expiry of contract and management decided not to renew it. Franchisee in Myanmar and Padini have mutually agreed to terminate the franchise agreement amicably by end of October 2023.

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. We initiated this journey with the development of a user-friendly online shopping website called Padini.com, offering a convenient platform for customers to browse and purchase fashion products.

Lockdown restriction resulting from the catastrophic pandemic has had a profound impact on how customers behave which shaped the business platform to a new era. In the financial years 2020 and 2021, the Group had started selling its products via Facebook live, Lazada and Shopee platforms for both domestic and own-managed overseas businesses. With the aim of achieving greater cost efficiency, we have made the decision to discontinue our Shopee and Facebook live sales for Malaysia operation during the financial year 2023 and discontinued selling on Lazada platform in August 2024. 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 attaining new customers by creating 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 been involved in different social media channels for brand awareness such as Facebook, TikTok and Instagram. In the financial year 2024, the Group started to be active on Xiaohongshu.












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 onto another level.

Management Discussion & Analysis (Cont'd)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Digital platform (Cont'd)

Social media followers as at 30 June 2024, unless otherwise stated:

	Malaysia 	Cambodia 	Thailand 
	—*	—*	66,600
	180,445 ^{#^}	—*	—*
	1,002,365	50,149	106,217
	517,684	—*	8,110
	—*	—*	5,323
	293,690	—*	22,372
	18,578	—*	—*
 PADINI.COM	878,879	—*	—*

as at 12 July 2024

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

^ The group existed LazMall in August 2024 to better align with business strategy

Management Discussion & Analysis (Cont'd)

2. FINANCIAL RESULTS AND BUSINESS REVIEW (CONT'D)

Financial Position Review

Total assets and liabilities of the Group stood at RM1.8 billion (2023: RM1.7 billion) and RM0.7 billion (2023: RM0.6 billion) respectively. The increase in total assets is primarily driven by the increase in property, plant and Equipment as well as the right-of-use assets as a result from the increase in number of stores opened. Total liabilities showed a marginal increase, primarily because of the increase in lease liabilities which is in tandem with the increase in the number of stores opened during the financial year under review.

Liquidity Indicators

	As at 30.6.2024	As at 30.6.2023	As at 30.6.2022	As at 30.6.2021	As at 30.6.2020
Liquidity ratio	4.38	4.47	3.62	5.40	4.01
Acid test ratio	3.32	2.72	3.13	3.92	2.58
Interest bearing borrowings (RM million)	13.5	4.0	0.4	0.7	2.5
Total equity (RM million)	1,111	1,040	891	802	766
Gearing ratio (%)	1.21	0.38	0.04	0.08	0.33

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 the 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 they fall due.

The Group has healthy liquidity indicators during the financial years under review. Both liquidity ratios and acid test ratios indicate a healthy cash reserve position, which has improved over the years. The Group has been keeping a relatively low level of liabilities for the financial years under review. The gearing ratio has risen from 0.38% to 1.21% primarily attributed to the inclusion of hire purchase borrowings for warehouse automation during the financial year under review.

Capital Management

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

Management Discussion & Analysis (Cont'd)

3. 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 unfavourable changes in general economic and business conditions and rising costs that could result in different outcomes from the planned result.

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

Economy uncertainty

The outlook for the domestic economy is projected to be challenging in 2024 and 2025. The impact on consumer spending will very much depend on the delicate balancing act of the Government in supporting the people via financial aids, tax system, aside to control the budget deficit versus the aim to put more disposable income into the hands of the rakyat in the face of global uncertainties. Market confidence and sentiment and employment are the important elements in spending level and spending pattern.

Trading conditions are expected to remain uncertain and challenging for retailers for the second half of 2024 and 2025. Downside risks include inflation, political stability, tighter global financial conditions and uncertainty over the government's fiscal situation. There will be lingering concerns over unemployment, recession, rising cost of living and its impact on consumer sentiment as consumers remain cautious and selective in their spending.

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

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

Competition

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

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

The country's competitive retail landscape 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 habits and purchase decisions of consumers have also been greatly affected by new communication channels, especially social media, video streaming and peer reviews.

Management Discussion & Analysis (Cont'd)

3. RISKS AND UNCERTAINTIES (CONT'D)

Supply Chain Capabilities and Performance

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

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

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

4. 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 RM16,447,736.97 for the financial year ended 30 June 2024 that was declared on 25 August 2023 and was paid on 29 September 2023.
- a second interim dividend of 2.5 sen per ordinary share (single tier) amounting to RM16,447,736.94 for the financial year ended 30 June 2024 that was declared on 30 November 2023 and was paid on 29 December 2023.
- a third interim dividend of 2.5 sen per ordinary share (single tier) amounting to RM16,447,736.94 for the financial year ended 30 June 2024 that was declared on 27 February 2024 and was paid on 29 March 2024.
- a fourth interim dividend of 2.5 sen per ordinary share (single tier) amounting to RM16,447,736.94 for the financial year ended 30 June 2024 that was declared on 30 May 2024 and was paid on 28 June 2024.
- a special dividend of 1.5 sen per ordinary share (single tier) amounting to RM9,868,641.88 for the financial year ended 30 June 2024 that was declared on 30 May 2024 and was paid on 28 June 2024.

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)

5. 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 inflation affecting consumer purchasing power. 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.

As at the date of report, we plan to have nine (9) stores to be refurbished and four (4) new stores to be opened and one (1) store to be closed in Malaysia during the financial year 2025. For overseas market, we are planning to close one (1) store in Thailand. We will actively monitor the market condition and evaluate our business strategy on a regular basis to maximise the returns.

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

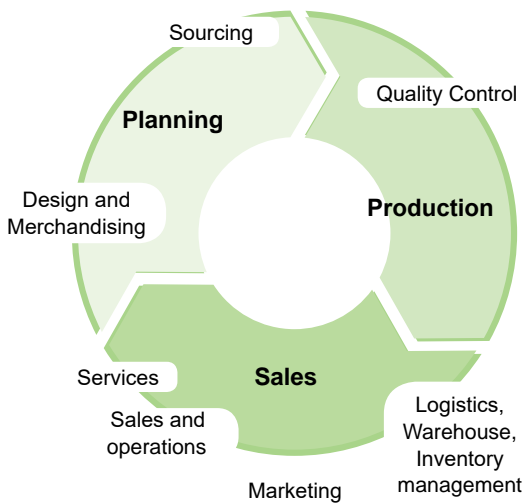
Whilst we are still very much centered on the brick-and-mortar business, a lot of effort has been put in to grow our online business by increasing the awareness of our products in our online channels and improving the infrastructure for e-Commerce. Developing new online shopping experiences and enhancing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

While we are not expecting major contributions from the stores and online platforms in Cambodia and Thailand, online sales to Singapore and our mobile app in the financial year 2025, we envisage the Group will continue to grow with improving our product quality and enhancing the buying experience of our customers.

OUR BUSINESS MODEL

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

As a buy and sell retailer, we take charge of designing and managing inventory, supply chain logistics, as well as retail operations to ensure a seamless shopping experience for our customers. By sourcing products from different suppliers, we can maintain a diverse product portfolio, providing customers with ample choices in terms of styles, designs, ages, gender at affordable price points.



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

PLANNING

1. Design and Merchandising

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



Our Business Model (Cont'd)

PLANNING (CONT'D)

2. Sourcing

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

PRODUCTION

3. Quality Control ("QC")

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

SALES

4. Logistic and Warehouse Management

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

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

5. Marketing

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



Our Business Model (Cont'd)

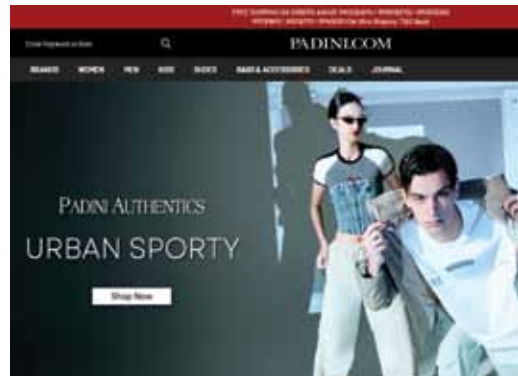
SALES (CONT'D)

6. Sales and Operation

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

7. e-Commerce

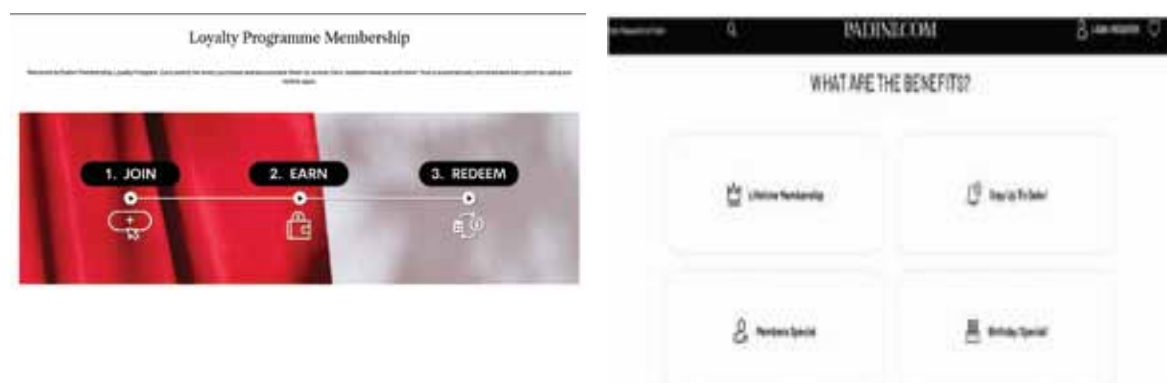
Our e-Commerce started in 2015 and manages the Group's online shopping website. They upload website content, process sales orders and handle customer queries. The Department collaborates with the Merchandising department to obtain products sample for online sales and conduct product photoshoots for display on the webpage. This department is important to maintain the Group's online presence and is one of the business components to thrive in the digital age. Our sales from e-Commerce contributed approximately 1% (2023: 1%) of total Group's revenue in the financial year 2024.



8. Customer Service and Relationship

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

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





OUR VALUE CREATION MODEL

VISION: To Be The Best Fashion Company Ever

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

INPUTS



FINANCIAL CAPITAL (as of 30 June 2023)

- Market capitalisation: RM2.6 billion
- Shareholder equity: RM1.0 billion
- Cash and bank balances: RM0.6 billion
- Total assets: RM1.7 billion



INTELLECTUAL CAPITAL

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



NATURAL CAPITAL

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



MANUFACTURED CAPITAL

- Market's reach of one hundred thirty-five (135) stores in Malaysia and thirteen (13) stores in Thailand and Cambodia
- We have three (3) inhouse and three (3) outsourced warehouses' facilities dedicated to storing our inventory



HUMAN CAPITAL

- Approximately 3,200 of employees worldwide
- Diverse and equivalent team
- Training, development programmes implementation



SOCIAL AND RELATIONSHIP CAPITAL

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

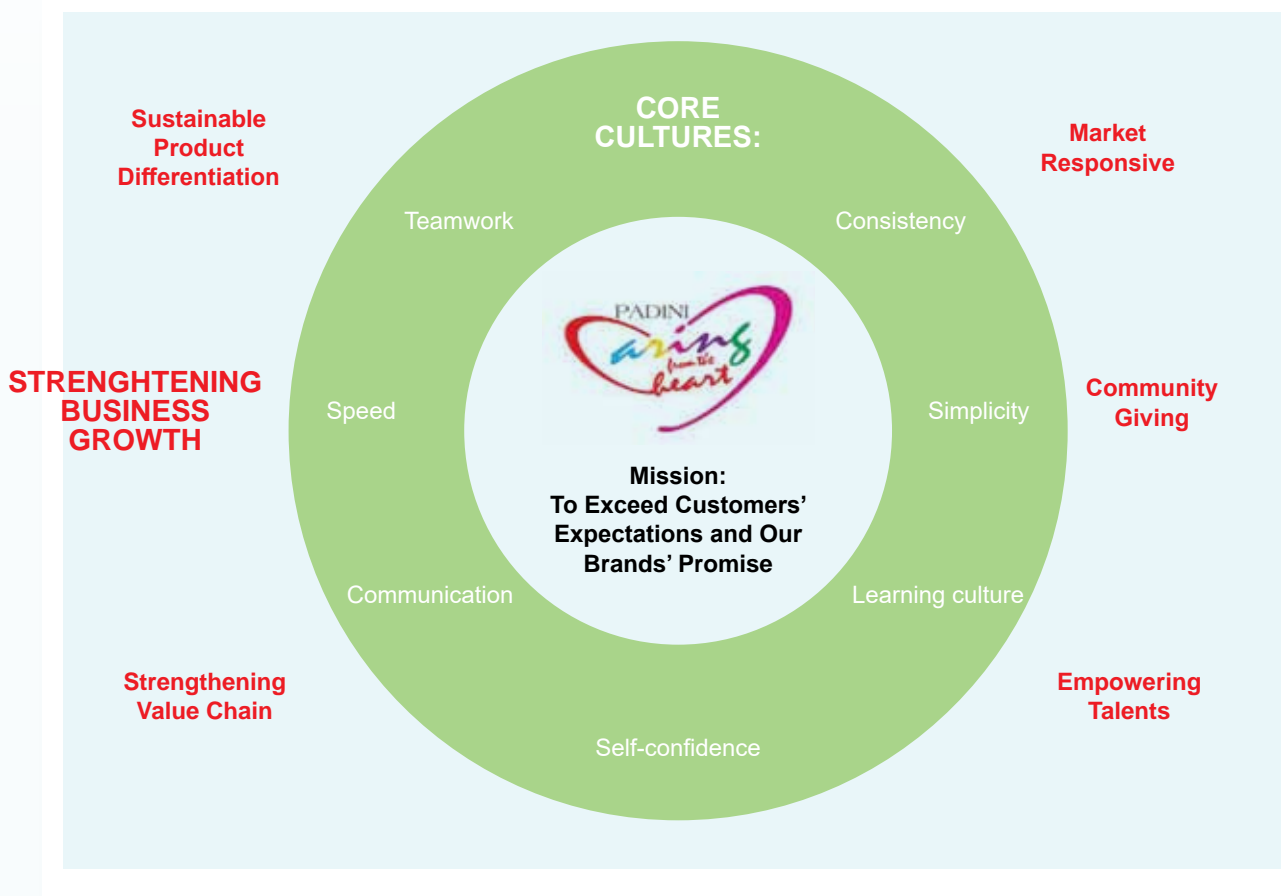
Our Value Creation Model (Cont'd)

VALUE CREATION PLAN

PLANNING

PRODUCTION

SALES



MATERIAL MATTERS

1. ECONOMIC
 2. ENVIRONMENTAL
 3. SOCIAL
- (Refer to pages 62 - 64 for further detail)

RISKS AND MITIGATION

(Refer to pages 52 - 53 for further detail)

GOVERNANCE

(Refer to pages 90 - 110 for further detail)

STAKEHOLDER ENGAGEMENT

(Refer to pages 59 - 60 for further detail)

Our Value Creation Model (Cont'd)

OUTPUTS



FINANCIAL CAPITAL (for the financial year ended 30 June 2024)

- Revenue: RM1.9 billion
- Net profit: RM0.1 billion
- Earnings per share: 22.28 sen
- Dividend per share: 11.5 sen
- Strong cash flow: RM344 million generated before working capital
- Market capitalisation: RM2.4 billion



INTELLECTUAL CAPITAL

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



NATURAL CAPITAL

- 648,700 apparel and footwear units procured to minimise environment impact
- LED lighting installation with energy consumption saving of 49% wattage
- 4.2gWh clean energy produced



MANUFACTURED CAPITAL

- One (1) store newly opened in Thailand
- Twelve (12) stores newly opened in Malaysia



HUMAN CAPITAL

- Well trained employees with high retention rate of 98.0%
- Strong female representation in team and leadership
- Healthy succession pipeline
- Invested RM0.5 million towards training for all employees
- Invested RM2.1 million staff welfare



SOCIAL AND RELATIONSHIP CAPITAL

- Continuous long-term relationship with suppliers
- Fostered community collaboration by engaging with 19 NGOs

Our Value Creation Model (Cont'd)

OUTCOMES

 <p>SHAREHOLDERS AND INVESTORS</p> <ul style="list-style-type: none"> Business growth and profitability with shareholder returns 	
 <p>LOCAL COMMUNITIES AND PUBLIC</p> <ul style="list-style-type: none"> Mitigated negative environmental impacts through responsible resource and management Accelerated digitalisation 	
 <p>GOVERNMENT AND REGULATORY AUTHORITIES</p> <ul style="list-style-type: none"> Responsible tax payments for country's development and economic growth Transparency in corporate reporting and government 	
 <p>CUSTOMERS</p> <ul style="list-style-type: none"> Undisrupted supply and after sales service Shopping conveniences with different type of payment mode Wide range of product choices 	
 <p>EMPLOYEES</p> <ul style="list-style-type: none"> Safe and inclusive working environment which priorities team's well being Opportunities and development 	
 <p>SUPPLIERS</p> <ul style="list-style-type: none"> Knowledge sharing to enhance sustainability of the value chain 	
 <p>SHOPPING MALLS</p> <ul style="list-style-type: none"> Profitability to help business growth 	

OUR BUSINESS RISKS AND MITIGATION

The Group's business activities and operations are susceptible to the risks and uncertainties prevailing in the marketplace where it operates which may arise from adverse changes in general economic and business conditions, as well as increasing costs, which could lead to outcomes different from what was originally planned. The Group aims to mitigate these risks by implementing prudent management policies, conducting ongoing reviews and evaluations of its operations and strategies, fostering strong relationships with stakeholders, providing continuous quality customer services, investing in human resources development, and staying up to date with technology upgrades.



Material Matters	Our concerns	Our efforts
ECONOMIC <ul style="list-style-type: none"> • Business performance • Sustainability of the business strategy • Market presence 	<ul style="list-style-type: none"> • Financial losses resulting in reduction of consumer spending and overall economic instability. • Inflation that impacted on price level of materials. • Change in consumer preferences and demand pattern influenced in business sales. • Erosion of competitive advantage. • Political upheavals. 	<ul style="list-style-type: none"> • Established a risks management committee to review and assess the risk areas. • Resources from various source of suppliers to reduce reliance on specific sources. • Brand differentiation offering through more competitive pricing, services, and quality. • Prudent capital management. • Conduct market research and survey and implement various marketing strategy to stay relevant in market. • Bulk purchase to take advantage of economies of scale.
ENVIRONMENTAL <ul style="list-style-type: none"> • Responsible sourcing • Energy consumption • Responsible design and creativity 	<ul style="list-style-type: none"> • Natural disasters or climate-related events may affect the business's ability to operate sustainably. • A negative perception of the business sustainability can impact brand reputation and customer loyalty. 	<ul style="list-style-type: none"> • We have engaged our suppliers to promote responsible sourcing practices such as using organic cotton and recycled polyesters to minimise environmental impact. • We have embraced LED lighting in our store operation with the aim to have better energy saving. • We have launched sustainable series product by using materials that are environmentally friendly such as organic cotton, recycled polyester, recycled cotton. • Solar installation in office and warehouse.

Our Business Risks and Mitigation (Cont'd)

Material Matters	Our concerns	Our efforts
SOCIAL		
<ul style="list-style-type: none"> • Data privacy 	<ul style="list-style-type: none"> • Financial impact caused by leaking of confidential information or group data. 	<ul style="list-style-type: none"> • Introduce implementation of Information Technology security and protection.
<ul style="list-style-type: none"> • Compliance 	<ul style="list-style-type: none"> • Substantial loss due to fraud and bribery. • Significant penalties and fines resulting from regulatory violations and lawsuits. 	<ul style="list-style-type: none"> • Zero tolerance for internal fraud and bribery activities. • Practicing transparent reporting on sustainability performance and progress toward goals.
<ul style="list-style-type: none"> • Relationship with supplier • Customer satisfaction 	<ul style="list-style-type: none"> • Supply chain disruption and sub-standard product quality. • Customer satisfaction on product quality. 	<ul style="list-style-type: none"> • Regular meetings with suppliers to have better understanding of requirements and needs. • Performed Quality control at factories and visit factories periodically. • Closely monitor international shipping information.
<ul style="list-style-type: none"> • Local communities 	<ul style="list-style-type: none"> • Negative perception on business activities. 	<ul style="list-style-type: none"> • Collaboration with stakeholders including suppliers, NGOs to collectively address sustainability challenges.
<ul style="list-style-type: none"> • Employee development • Attracting and developing talents • Diversity and equality 	<ul style="list-style-type: none"> • Inadequate succession planning and high staff turnover rate. • Employees well-being and safety. 	<ul style="list-style-type: none"> • Structure training and development programmes. • Offer competitive compensation and benefit package.
<ul style="list-style-type: none"> • Responsible marketing 	<ul style="list-style-type: none"> • Ineffective messaging and incorrect pricing strategies lead to confusion and fail to attract customers. 	<ul style="list-style-type: none"> • Conduct market research, monitor market trends and customer feedback and maintain open communication with customers.

OUR PROGRESS: SUSTAINABILITY JOURNEY

We have to focus our efforts to have the best valued products in the market with the best shopping experience we can offer, whilst practising responsibility and sustainability. To achieve this, we have developed three (3) strategic pillars towards sustainability, “Earth Consciousness”, “Caring from the Heart” and “Integrity in action”.

a. Earth Consciousness

Accountable to environmental, contributing to the preservation of natural resources and biodiversity while fostering a more sustainable and resilient fashion industry.


b. Caring from the Heart

Aims to make a positive difference in the lives of people and the communities we serve.


c. Integrity in action

Responsible for ethical behavior, governance and compliance.


We have embarked on our sustainability journey, with a responsibility to further explore and implement sustainable practices.

Sustainability Strategic Pillar	2030 Target	2024 Performance
Earth Consciousness 	<ol style="list-style-type: none"> Reduce greenhouse gas (GHG) emissions 	<p>Padini has contributed to reduction of GHG emission through few methods as below:</p> <ol style="list-style-type: none"> Solar System Installation, offsetting the equivalent of 3,276 tonnes of carbon dioxide (tCO₂e) emissions. Procured eco-friendly products and packaging. Promoting Recycling Campaign at our outlets. Outsource logistics to third parties to maximise effectiveness and efficiency. <p>In the meantime, Padini is actively looking for sourcing data collection of GHG emission. Padini is in the progress of gaining comprehensive insights in quantifying environmental impact in terms of carbon emissions and setting realistic targets to align with our sustainability goals.</p>

Our Progress: Sustainability Journey (Cont'd)

Sustainability Strategic Pillar	2030 Target	2024 Performance
	2. Source garment materials which are environment friendly	During the financial year 2024, Padini procured approximately 648,700 units of eco-friendly garments and footwear to be sold, representing 1.4% of total purchases, compared to 0.6% total purchases in the financial year 2023. This marks a 0.8% increase from the previous year. This usage of eco-friendly materials reduces water consumption in the production process. Padini will launch more environmentally friendly products in the upcoming year with dedication to responsible production and continuous journey towards sustainability.
	3. Reduce water consumption in the supply chain	
	4. Reduce electricity consumption by 20%	
	5. Achieve zero environmental legal non-compliance	Achieved and to be maintained.
	6. Reduce waste generated	During the financial year 2024, we have recycled approximately 4,600kg of used paper, plastic and paper products. In progress.
	Caring from the Heart	1. Establish sustainability-related learning in employees' competence development (Minimum of two training hours in sustainability topic)
	2. Achieve zero workplace accidents	A total of eighteen (18) minor workplace accidents during the year. To be monitored.
	3. Conduct annual sustainability-focused engagements and community programmes	In the financial year 2024, Padini organised a Movie Day event with Pusat Jagaan Rumah Juara and the Lifezone Drug Rehabilitation Centre, bringing together underprivileged children and adults from the rehabilitation center to enjoy a movie at the cinema and spend quality bonding time with Padini volunteers. During festive seasons such as Chinese New Year, Deepavali and Hari Raya, Padini volunteers dedicate time to engaging with orphanages and OKUs home such as Pertubuhan Rumah Anak Yatim Berkat Kasih, Kanak-Kanak Yatim dan Cacat Ceria Klang and Rumah Nur Sakinah. These meaningful gatherings include shared meals, heartfelt conversations, fun time activities and the donation of necessities in cash and kind, fostering a sense of community and spreading joy to those in need during these special celebrations.

Our Progress: Sustainability Journey (Cont'd)

Sustainability Strategic Pillar	2030 Target	2024 Performance								
	4. Recruit underserved communities such as other marginalised groups	During the financial year 2024, we have hired eight (8) employees with disabilities to join our workforce. At the same time, Padini has been engaging with Orang Kurang Upaya (“OKU”) as caterers for in-house training food and beverages, in hope to promote inclusivity and provide meaningful opportunities for individuals with disabilities.								
	5. To reduce customer complaints	<p>Below are the number of complaints on customer service:</p> <p>The abbreviation 'FY' refers to the financial year.</p> <table border="1"> <thead> <tr> <th></th> <th>FY2024</th> <th>FY2023</th> <th>FY2022</th> </tr> </thead> <tbody> <tr> <td>Services</td> <td>160</td> <td>94</td> <td>60</td> </tr> </tbody> </table> <p>Efforts are currently underway to reduce complaints.</p>		FY2024	FY2023	FY2022	Services	160	94	60
	FY2024	FY2023	FY2022							
Services	160	94	60							
Integrity in action										
	1. Increase locally procured products/ services	Approximately 11% of Padini’s products are locally procured. In progress.								
	2. All suppliers completed supplier environmental and social risk assessments	99% of suppliers completed, in progress.								
	3. No cases of bribery, corruption and fraud	Achieved and to be maintained								
	4. Whistleblowing; Anti-Bribery and Anti-Corruption training for all employees annually	Achieved and to be maintained								

OUR SUSTAINABILITY APPROACH

To provide products that are good
in value whilst improving on
our sustainability goals



Sustainability is embedded in our culture at Padini. We strive to ensure that the people who make our products work in safe, fair and legal conditions. We are committed to minimising our environmental footprint and are dedicated to supporting the communities where we operate. We do this by collaborating throughout our value chain and across the supply chain, business and civil society to address systemic challenges. We also seek to engage our employees and customers across all our brands in our effort to build a more sustainable world. Our commitment to sustainable practices enables us to balance our business opportunities and risks in the economic, environmental and social realms.

This vision is not only necessary from a social and environmental perspective, but it also makes good business sense. Long-term investments in sustainability provide us with long-term business opportunities that will keep Padini Group relevant and successful in our rapidly changing world.

We know that achieving our vision will not be easy, but our openness to tackling challenges keeps us alert to opportunity. We are strongly positioned to make a positive impact, in part because of our continuing partnership with stakeholders who help set and shape our sustainability work.

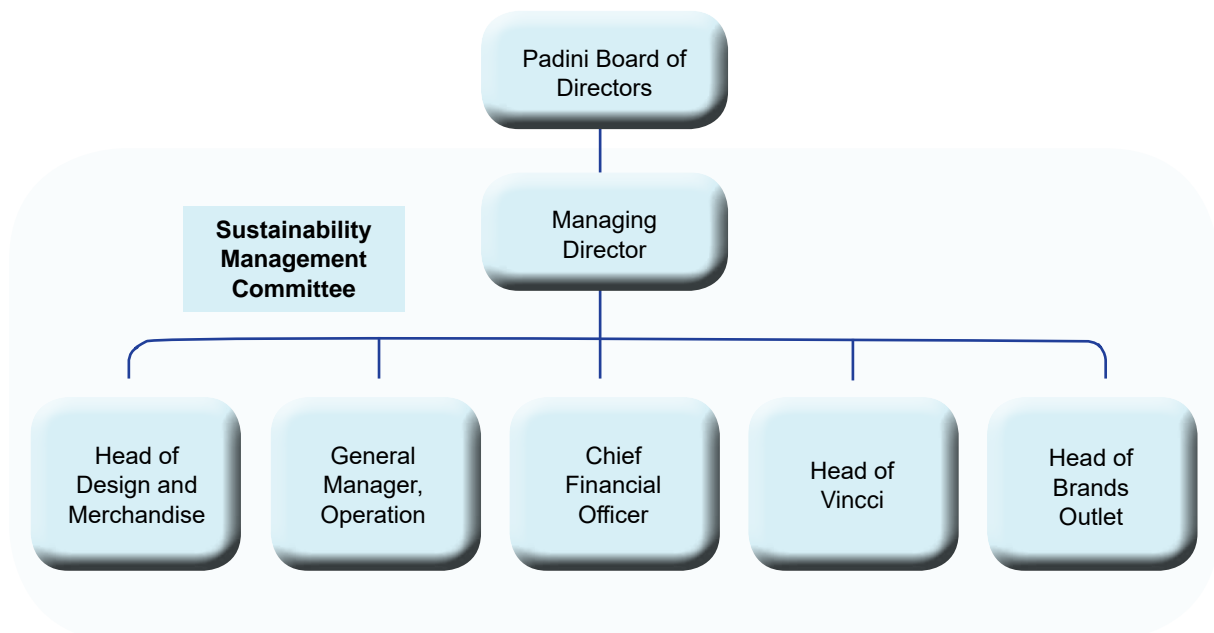
SUSTAINABILITY GOVERNANCE

We have implemented a governance structure to ensure that our Global Sustainability programme both meets our company's social and environmental goals to support our business.

Our sustainability programme is chaired by the Managing Director along with the support of the Sustainability Committee members, where committee members are made up of management representatives from various key functions. While the Sustainability Committee is responsible for the formulation of sustainability policies, it also develops action plans in relation to these policies. In addition, the Sustainability Committee also monitors the implementation of sustainability initiatives in Padini and recommending the approach to manage material matters for approval by the Board of Directors ("BOD").

SUSTAINABILITY GOVERNANCE STRUCTURE




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







STAKEHOLDER ENGAGEMENT

We have a long history of stakeholder engagement and are committed to engaging in constructive and meaningful dialogue with stakeholders. Effective communication helps us build trust, leverage on their expertise and gain insights into the most pressing issues. Stakeholder engagement helps us reaffirm the most material issues and devise ways to address them within the Group.

We engage with a diverse group of stakeholders comprising employees, customers, shareholders, NGOs, suppliers, industry groups and local communities. Positive, bilateral dialogue builds informed relationships that promote transparency and accountability. Stakeholders' views on a wide range of topics are useful and have influenced our sustainability strategy in several key areas. Stakeholders also help us test new ideas while solving industry-wide challenges. We also share our perspective on key issues, highlight areas of importance and help them understand the Group's journey more clearly. The salient issues for each stakeholder group and our engagement with each during the financial year 2024 are presented below:

Stakeholder Group	Key Areas of Interest	Addressing Their Interests
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Padini's business direction • Key corporate developments • Corporate governance • Company performance 	<ul style="list-style-type: none"> • Announcements on Bursa Malaysia • Investor updates and result briefings for fund analysts and shareholders • Annual general meeting • Annual reports • Corporate website • Media release • Shariah Compliant
 <p>Local Communities and Public</p>	<ul style="list-style-type: none"> • Transparent and quality products and services • Community development and enrichment • Reaching out to the community • Employment opportunities to the Person with disabilities • Features, promotion and launching of our products • Latest events products and news updates • Company performance 	<ul style="list-style-type: none"> • Community programmes • Donations and other philanthropic contributions • Employee volunteerism • Local sourcing • Engagement with sources for interested Orang Kurang Upaya ("OKU") to work with Padini • Sales of our products • Media release, interview • Advertisement • Website and social media
 <p>Government and regulatory authorities</p>	<ul style="list-style-type: none"> • Regulatory compliance • Public-private interaction • Annual reporting • Sustainability reporting 	<ul style="list-style-type: none"> • Attended dialogue/ seminar organised by Bursa Malaysia • Participated in Survey conducted by authorities

Stakeholder Engagement (Cont'd)

Stakeholder Group	Key Areas of Interest	Addressing Their Interests
Customers 	<ul style="list-style-type: none"> • Service satisfaction • Quality management • Customer appreciation • Online shopping • User convenience 	<ul style="list-style-type: none"> • Responsible clothing design • Marketing Campaigns/ Promotions • Customer Satisfaction Survey • Customer feedback channel • Social Media • Online purchase and delivery services
Employees 	<ul style="list-style-type: none"> • Career development • Competitive remuneration • Work-life balance • Value diversity and equal opportunity • Ensure occupational health and safety • Appreciation and recognition • Job satisfaction 	<ul style="list-style-type: none"> • Employees Appreciation Awards • Open communication • Teamwork • Events and functions • Provide skills development and training opportunities • Internal newsletter • Teambuilding activities • Job performance assessment • New employee induction programme
Suppliers 	<ul style="list-style-type: none"> • Fair procurement • Transparency • Suppliers' development • Speedy payment 	<ul style="list-style-type: none"> • Group procurement policy and procurement system • Yearly supplier evaluation • Inspection to Suppliers Factories/ Plants • Financial supply chain management
Shopping Malls 	<ul style="list-style-type: none"> • Speedy payment • Long term tenancy • Sales performance 	<ul style="list-style-type: none"> • Cooperation on corporate social responsibilities events or activities • Marketing Campaigns/Promotions at the shopping mall • Business meetings

SUPPORT FOR UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As one of the leading apparel retailers, we recognise that we need to contribute to address systemic social and environmental challenges. That is why we have aligned our sustainability strategy with the United Nations (“UN”) Global Sustainable Development Agenda.

The United Nations Sustainable Development Goals (“SDGs”) is an internationally recognised framework that aims to address the three (3) elements of economic growth, social inclusion, and environmental protection as part of a broader attempt to eradicate poverty and strengthen peace and freedom.

There are seventeen (17) goals, accompanied by one hundred sixty-nine (169) specific targets. Businesses, alongside governments, are encouraged to implement actions in support of these goals to achieve the framework’s ambitious goals by 2030. We kept all seventeen (17) SDGs in mind, whenever practicable when it comes to determining our approach and strategy so that we could align our activities with the broader global sustainability agenda:



Source: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

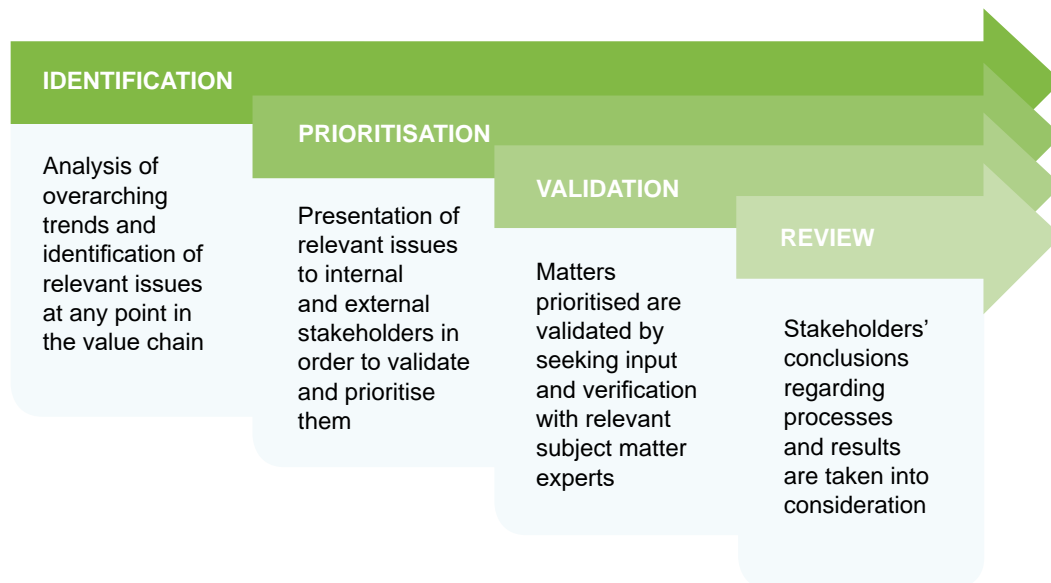
MATERIALITY ASSESSMENT

Materiality, in sustainability terms, is not limited to matters that may have a significant financial impact on our organisation but also includes matters that may impinge on our ability to meet present and future needs. Our definition of materiality is drawn from the guidelines provided by Bursa Malaysia where material issues are defined as such if they:

1. reflect an organisation's significant economic, environment, and social ("EES") impacts; or
2. substantively influence the assessment and decisions of stakeholders.

We aim to acknowledge the needs and interests of our communities. We have identified six (6) key stakeholder groups in the past. We have decided to have shopping malls as a separate stakeholder in addition to our employees, shareholders, business partners, external interest groups and customers. Our goal is to understand and address the different needs of each group to build a sustainable and successful business. One way which we have done is by including our stakeholders while conducting our materiality analysis. Through the materiality assessment process, we have identified fifteen (15) issues material to us. Each of these initiatives has been grouped under the relevant sustainability prongs that manage our EES impact.

PROCESS OF PREPARING THE PADINI MATERIALITY MATRIX






The materiality assessment will be used in the following ways:

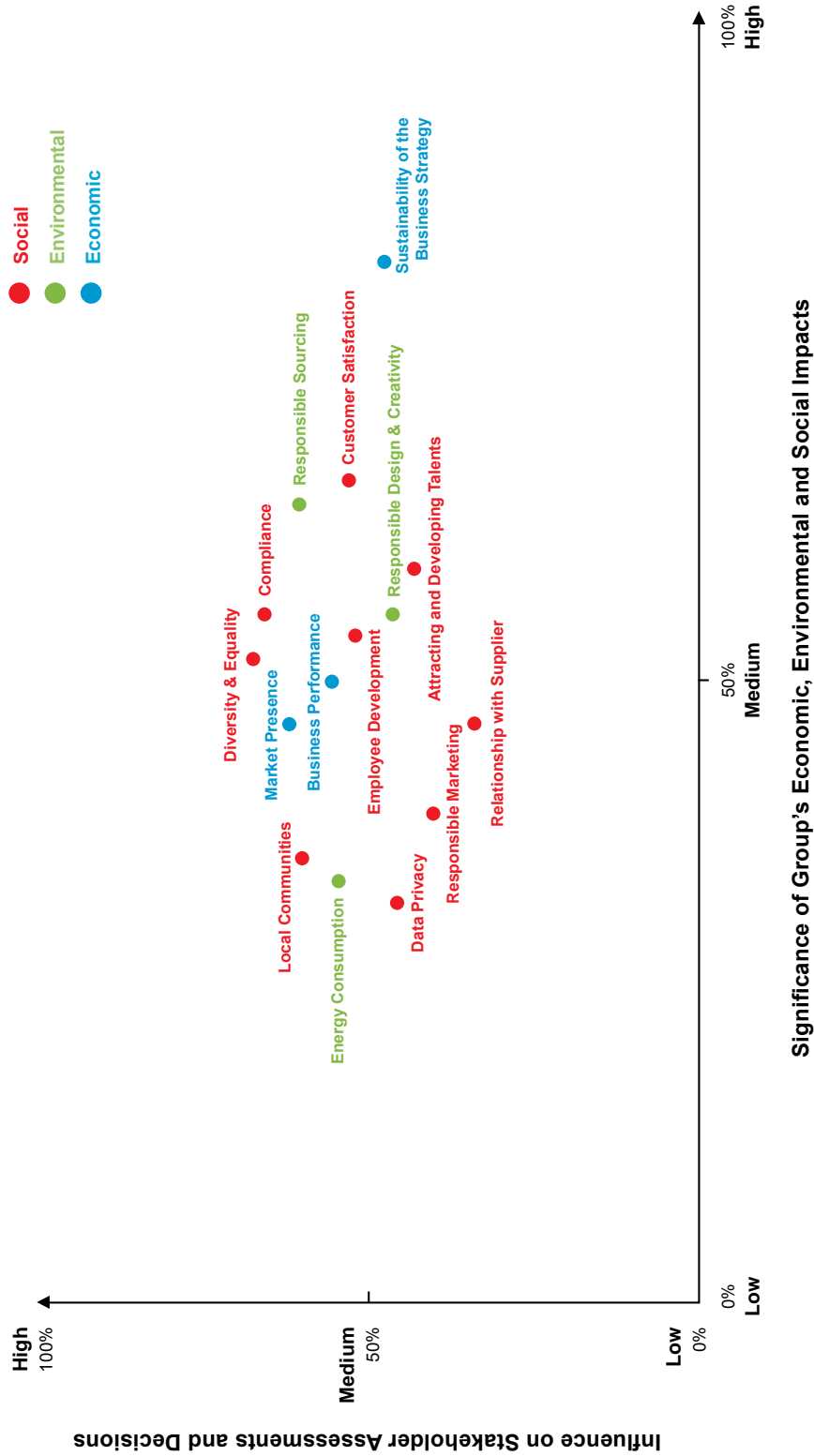
1. To identify the most material sustainability issues for Padini in terms of business value, risks and opportunities for long-term planning.
2. To understand how sustainability and key business issues intersect.
3. To inform future sustainability commitments and resource allocation.
4. To support Padini's engagement with external stakeholders.

Materiality Assessment (Cont'd)

The identification of material matters is as follows:

MATERIALITY MATTERS	DESCRIPTION
 Economic	
1. Business Performance	Financial performance meets the expectation.
2. Sustainability of the Business Strategy	Continuous value creation to the stakeholders while generating healthy returns.
3. Market Presence	Maintaining market share in the industry.
 Environmental	
4. Responsible Sourcing	Managing the Group's supply chain addressing social and environmental issues.
5. Energy Consumption	To optimise energy consumption of the Group.
6. Responsible Design and Creativity	Design products with creativity using eco-friendly raw materials.
 Social	
7. Data Privacy	To ensure data security of customers, employees and stakeholders.
8. Customer Satisfaction	Commitment to customer satisfaction.
9. Compliance	Adherence to applicable governing law or standards.
10. Relationship with Supplier	Management of supply chain to meet the product's quality of the Group.
11. Local Communities	Corporate social responsibilities activities or events.
12. Employee Development	Supportive on continuous learning progress of employee.
13. Attracting and Developing Talents	Providing attractive benefit and remunerations and organise activities to maintain their loyalty.
14. Diversity and Equality	Employee diversity and equality between ethics, races and gender.
15. Responsible Marketing	Building trust between the Group and customers.

MATERIALITY MATRIX

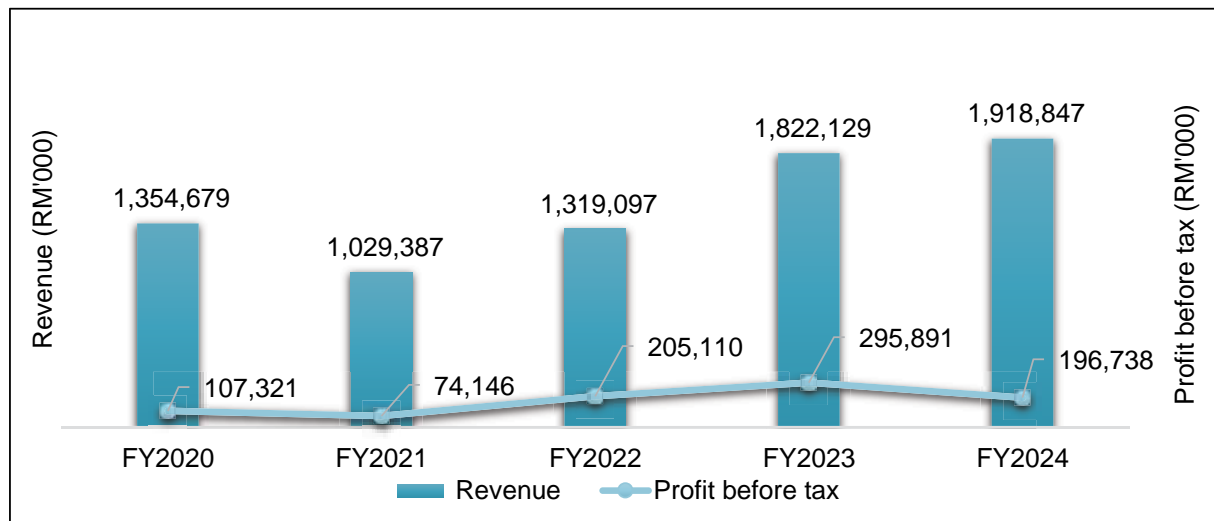




ECONOMIC: BUSINESS PERFORMANCE AND REGULATORY

At Padini, our economic performance is defined as the generation of sustainable financial and economic returns, while creating value for stakeholders to ensure sustainability of our business. Our economic performance is a testament to the effectiveness of our assets and capital management. It is how we translate our fiduciary accountability to our investors and moral responsibility to our stakeholders into tangible value. We strive towards long-term profitability, combining a visionary strategy with prudent asset and capital management.

GROUP PERFORMANCE OVERVIEW FOR THE PAST FIVE (5) FINANCIAL YEAR ("FY")



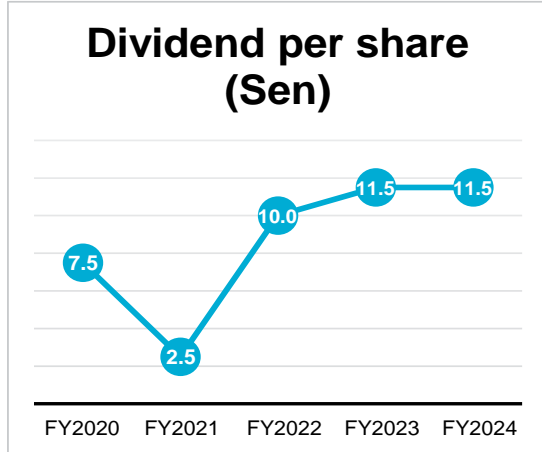
The performance of the Group in the first half of FY2022 was affected by Covid-19 pandemic, there was approximately two (2) months where our outlets were not allowed to open for business. However, as relaxing from lockdown and endemic approaching, the results rebounded from second half of FY2022 onwards.

Padini has demonstrated a continuous upward trend for revenue from FY2021 to FY2024, with an increase of 28.1% from FY2021 to FY2022, a robust increase of around 38.1% from FY2022 to FY2023 and continue growth with a slower pace of 5.3% from FY2023 to FY2024.

Profitability had increased in tandem with the increased in revenue and gross profit margin, from RM74.1 million to RM205.1 million from FY2021 to FY2022, follow up with another increase from RM205.1 million to RM295.9 million, with a surge of approximately 176.6% and 44.3% respectively. There's decline of profit before tax from FY2023 to FY2024 despite the increase in revenue comparing year-on-year, this is mainly drop in gross profit margin and partially caused by the increase of staff cost.



ECONOMIC: BUSINESS PERFORMANCE AND REGULATORY (CONT'D)



In the financial year 2020, dividend declared was at 7.5 sen per share. In the financial year 2021, the dividend declared was lowered to 2.5 sen per share as the Company would like to preserve the cash reserve to respond to the unpredictable impacts from Covid-19 pandemic and to ensure no disruption in business operation. As the financial performance has improved compared to financial year 2020 and 2021, Padini has declared a dividend of 10.0 sen per share in the financial year 2022. In financial year 2023 and 2024, Padini has experienced a rather strong recovery, achieving healthy financial growth, thus declared dividend of 11.5 sen. Padini always keeps in mind to enhance the returns to our shareholders at the right time.

A strong financial position and net cash position allow the Group to embrace opportunities and address unforeseen market challenges, maintaining a good balance between growth and

stability. Padini Group will continue strengthening its business fundamentals, operationally and financially, and deliver a steady and sustainable performance over the long term. For more information about our financial performance please refer to Padini Integrated Annual Reports at <https://corporate.padini.com>

Putra Brands Award 2023



In the financial year 2024, Padini is honoured to receive the Silver Award of Putra Brand Awards in the category of Apparel and Accessories. Putra Brand Awards also often referred to as "People's Choice Awards" is the award system endorsed by Association of Accredited Advertising Agents Malaysia ("4As") which based entirely on consumer votes. This recognition underscores the success of our product offerings, sustainable practice and being market responsive. We are grateful for the trust and loyalty of our customers, employees and stakeholders and will remain dedicated to upholding Padini's value that have earned us this honour.

Forbes Asia's 200 Best Under a Billion 2024



Padini is proud to be one (1) of the eleven (11) Malaysian companies recognised in Forbes Asia's 2024 "200 Best Under a Billion" list, a prestigious award that honours top-performing public listed companies in the Asia-Pacific region with revenue under USD\$1billion. This recognition highlights our strong financial performance, consistent growth and competitive edge in the fashion retail industry.



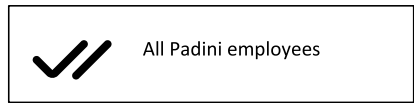
ECONOMIC: BUSINESS PERFORMANCE AND REGULATORY (CONT'D)

REGULATORY COMPLIANCE

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

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

WHISTLEBLOWING POLICY
ANTI-BRIBERY POLICY
ANTI-CORRUPTION POLICY



Annually, it is compulsory for all Padini employees to attend training on the Whistleblowing Policy and Anti-Bribery and Anti-Corruption policy, whereby a quiz will be done at the end of training session.

We encourage employees, suppliers and stakeholders to report any illegal or unacceptable behaviour or noncompliance. Whistleblowing practice is encouraged and is open to any employee, supplier or third-party, with the assurance that any report will be properly investigated and treated with confidentiality.

In financial year 2024, Padini has complied with the following:

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

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

Except for the following incident which consists of penalty or fine of RM10,000 or more or equivalent in each incidence (nearest thousand):

Penalty to Padini Malaysia due to renovation at outlets without permit	RM10,000
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The above situations have been carefully assessed and analysed to avoid repetitive issues in the future.

In every country, the lowest paid employee category earns at least the minimum wage. In Padini, our salary package is set with the consideration of the basic living standard in each city apart from meeting the statutorily required minimum wage. This is so that our employees can afford the basics (food, water, healthcare, clothing, electricity, and education) for themselves and their dependents. Following by the Amendment in Employment Act on salary adjustment threshold which took effective from 1 January 2023, Padini has reviewed existing employment contracts and policies to ensure the compliance of the Employment Act amendments.

ENVIRONMENTAL:

CARING FOR NATURE

1. SUSTAINABLE PROCUREMENT

1.1



Supplier Code of Conduct

At Padini, we focus on long-lasting relationships with our external suppliers and working with them collaboratively and transparently, while setting clear objectives for addressing social and environmental issues. In each partnership, we take a long-term view, evaluate technological and manufacturing expertise while committing to a shared vision of making the world a better place through our business. We expect our partners and their factories to apply best practices in quality control, labour management, worker safety and environmental impact reduction.

We are gradually improving our supply chain management. Our supplier code of conduct continues to provide a solid foundation for our work and is an integral part of our company risk and human rights due diligence framework. The guidelines ensure our requirements are met, drives continuous improvement and informs our core social sustainability strategy. We believe that by having long-term cooperation with our business partners, it will also lead to better efficiency when it comes to streamlining our operational processes and hence shortened production lead time.

1.2



Periodic Visits to Suppliers' Factories

Padini Group respects human rights at every stage of its supply chain and works to procure materials responsibly with regard to communities and the environment. Accordingly, the Group is teaming up with our partner factories to create guidelines for promoting responsible procurement. Our sourcing team vets and monitors suppliers to ensure that suppliers do not employ child labour or operate under sweatshop conditions. While we do not conduct official audits to verify these, our team conducts regular visits to our supply chain periodically to verify quality control systems, manufacturing conditions, environmental initiatives and other activities.

During the visits, the teams hold meetings to discuss solutions to various issues and work with factory management to review the volume and schedules of production orders in consideration of available production capacity to help ensure that certain ethical requirements are maintained. We conveyed our messages to our suppliers on certain matters, for instance, we do not accept child or forced labour; we would like to see safe and hygienic condition in the manufacturing floors; we would like our suppliers to have fair pay and work hours; no discrimination in the employment and some other ethical requirements. We constantly encourage automation and other innovation to improve workplace conditions and elevate the productivity of our suppliers.

Each one of our suppliers is at a different stage of their sustainability journey, with some just beginning the process and a handful at the other end showing real innovation and leadership. We have a set of code of conduct which most of our core suppliers have acknowledged and signed. For any areas of non-compliance or areas for improvement, our approach is to work with our suppliers on improving their processes, and to provide the best outcome for workers and the environment.

We understand that production methods that are more sustainable may cost slightly more, but they can also spark innovation and protect businesses from supply-chain shocks and reputation risks, resulting in greater resilience and profitability in the long term. A balance needs to be struck between the cost of compliances and sustainability practice versus the financial performance of the Group. We believe that as the new generation gains purchasing power, their high expectations that businesses will operate in a sustainable manner could have an influence on the future shopping trends.



ENVIRONMENTAL: CARING FOR NATURE (CONT'D)

2. SUSTAINABLE PRODUCT

At Padini, we are aware of the environmental problems caused by the fashion industry. We aim to work towards sustainable production processes and to reduce negative environmental impact, through continuous improvement of the supply chain. In the previous year, Padini had successfully launched eco-friendly products featuring materials like organic cotton, recycled cotton, sustainable cotton, and recycled polyester. In the financial year 2024, Padini focused on expanding its selection of eco-friendly products, extending beyond apparel and footwear to include bags. Additionally, Padini is actively seeking new sustainable materials, such as bamboo and Sorona fabric, to enhance its eco-friendly product line.

2.1 Organic cotton

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

2.2 Recycled cotton

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

2.3 Sustainable cotton

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



Apparels procured during financial year 2024:

approximately

261,800 units of apparels with 100% organic cotton

58,200 units of apparels with 95% organic cotton

20,000 units of apparels with 33%-60% organic cotton

17,000 units of apparels with 20% recycled cotton

3,200 units of apparels with 70% sustainable cotton



ENVIRONMENTAL: CARING FOR NATURE (CONT'D)

2. SUSTAINABLE PRODUCT (CONT'D)

2.4 Recycle polyester

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



Apparels:

approximately
6,600 units with 93%-100% recycled polyester
6,400 units with 58%-62% recycled polyester
29,700 units 40%-49% recycled polyester
53,700 units 30%-36% recycled polyester
108,200 units 14%-20% recycled polyester

Footwear:

approximately
27,300 units with 40% recycled polyester
22,300 units with 58% recycled polyester

Bags:

approximately
2,700 units with 40% recycled polyester

2.5 Bamboo

Bamboo is a fast growing and renewable resources where it can grow rapidly and self-regenerate without the need for replanting. Besides, bamboo also requires less water to grow compared to conventional cotton and its biodegradable itself, thus reduces environmental footprint at the end of its lifecycle.



Apparels:

approximately
12,500 units with 49% bamboo
4,500 units with 40% bamboo



ENVIRONMENTAL: CARING FOR NATURE (CONT'D)

2. SUSTAINABLE PRODUCT (CONT'D)

2.6 Sorona fabric

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

Apparels:

approximately

14,600 units with 100% Sorona

In the financial year 2024, there is a total of approximately 648,700 units of eco-friendly footwears and garments being procured and launched into the market. This is approximately 1.4% out of total quantity purchased during the year. We will continue our efforts for sourcing products or materials that conform to environmental sustainability.

3. SUSTAINABLE OPERATION

A dedication to reducing the impacts of our owned and operated stores, distribution centres and offices means reducing our operational greenhouse gas emissions and waste production and working with our logistics and procurement partners to identify practices that are more efficient and have lower environmental impact.

3.1 Logistics

Our logistic is fully outsourced to third party to achieve maximum efficiency and effectiveness in terms of company resources. Noting that logistics is a significant source of environmental stress, especially in the form of carbon emissions, we aim to better plan out the routes of our distribution trucks to improve our transportation efficiency while reducing our carbon emissions in the long run.

3.2 In-Stores



Biodegradable plastics bags at all stores

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

Packaging plays an important role in protecting our product during transport and reducing product waste through damage. We recognise that it has a major impact on our environment. We are working hard to minimise this impact by reducing and reusing packaging where possible and increasing and investing in using materials that are renewable, recycled, recyclable, compostable and sustainably certified. With 99% of in-store waste coming from product packaging, reusing or recycling pose challenges given that our stores are located in shopping malls and large buildings. "No plastic bag" campaign for in-store purchases is implemented in-store to raise awareness among our customers while minimising the use of plastic bags.

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

ENVIRONMENTAL: CARING FOR NATURE (CONT'D)

3. SUSTAINABLE OPERATION (CONT'D)

3.2 In-Stores (Cont'd)



Recycling campaign

Padini has launched recycling campaign in both Padini Concept Stores and Brands Outlet stores where there is recycle bin for old apparels and footwears. Customers are encouraged to donate any apparel and footwear from any brands and all the items will be given second chance. During the financial year 2024, approximately 18,400kg of apparel and footwear has been collected from recycle bin placed at twenty-five (25) outlets in Malaysia. These items were handed over to Life Line Clothing Malaysia (“LLCM”) for the purpose of being reused, regenerated, recycled, or upcycled.



ENVIRONMENTAL: CARING FOR NATURE
(CONT'D)

3. SUSTAINABLE OPERATION (CONT'D)

3.2 In-Stores (Cont'd)





Implementation of LED lighting in stores

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

LED lighting offers greater energy efficiency and longer lifespan compared to CDMT lighting. This dual advantage benefits both company and environment, as it leads to lower energy consumption, reduce electricity costs and decrease maintenance costs.

For every outlet that undergoes renovation and for each new outlet that opens, Padini ensures the implementation of LED lighting throughout the premises. In the financial year 2024, we upgraded seven (7) of our existing store's lighting fixtures with LED lighting solutions, resulting in energy saving in term of 49% wattage of lighting's usage for each store. Additionally, all twelve (12) stores opened in Malaysia during the financial year under review were equipped with LED lighting. As a result, by the end of financial year 2024, there were seventy-eight (78) or 60.5% of our stores in Malaysia were equipped with energy-efficient LED lighting. 60.5% is calculated based on our total of one hundred twenty-nine (129) retail stores, excluding the eleven (11) consignment counters.

3.3 Office and Warehouse

 <p>Recycle Bin Setup in Office</p>	<p>Recycling programmes of the 3R practice of Reduce, Reuse & Recycle has been embedded and remains strong in the culture of Padini Group. Office waste recycling programme is implemented at our office whereby bins for the segregation of wastes (Glass, Plastic and Paper) are provided on every floor for easy access. The collected recyclables are then sold to recycling centres, all generated funds used to support our company's CSR activities.</p>
 <p>'Turn off before you take off' Campaign</p>	<p>For our office buildings, a 'Turn off before you take off' campaign has been implemented to encourage our employees to turn off their computers, laptops and monitors if they are going to be away from their desk for a break or a long period of time. Majority of the office lighting that are not in used will also be switched off during lunch hours and past business hours. On top of that, regular maintenance is also conducted on all office equipment to keep them running efficiently.</p>



ENVIRONMENTAL: CARING FOR NATURE (CONT'D)

3. SUSTAINABLE OPERATION (CONT'D)

3.3 Office and Warehouse (Cont'd)



Hybrid/ Electrical Vehicle Charging Station

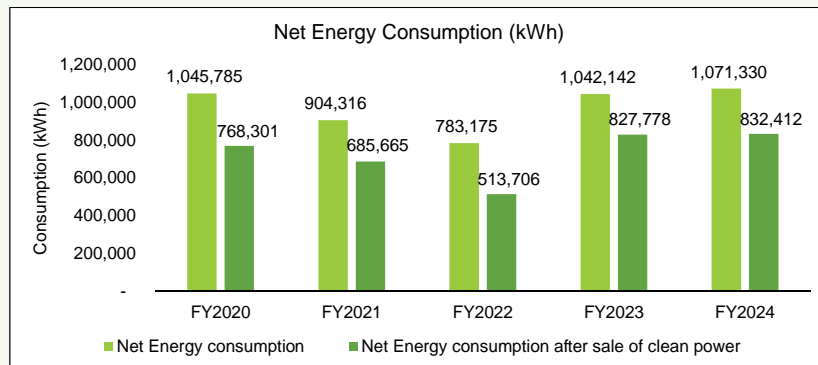
To reward our staff who choose eco-friendly cars such as hybrid or electric vehicles, parking spots that are near the office lift lobbies were set aside to provide greater convenience. The electric car parking spaces are also equipped with eight (8) units of charging stations.



Solar systems installations in Office and Warehouse

Since the installation of solar system, a total of 4.2gWh clean energy has been produced and it's estimated to offset three thousand two hundred and seventy-six (3,276) tonnes equivalent of carbon dioxide (tCO₂e) emissions. Of the 4.2gWh produced, 2.9gWh was used to reduce energy consumption in our daily operations, while the remaining 1.3gWh of clean power was sold.

The graph below illustrates the net energy consumption of Padini's office and warehouse in Malaysia, alongside a comparison to the net energy consumption after sale of clean power (in kWh).



 **SOCIAL:**
CARING FROM THE HEART

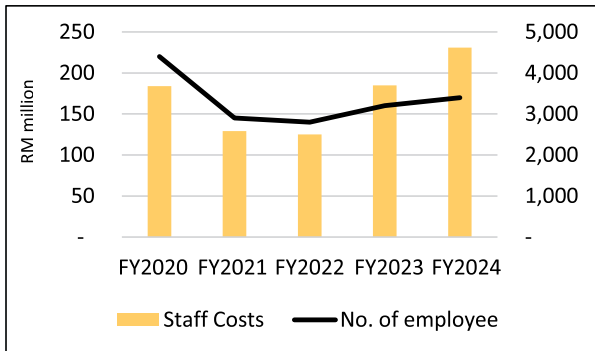
“GOOD PEOPLE MAKE GOOD BUSINESS.”

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

1. OUR EMPLOYEES

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

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



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

VALUING DIVERSITY AND EQUAL OPPORTUNITY

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

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

To ensure smooth transition, an internal training program called Mesra OKU Training has been organised to better prepare our internal team members when it comes to working with our new members. We have also continued our engagement with Malaysia Federation of The Deaf (“MFD”) in providing Sign Language training with a total of 20 classes, 1.5 - 2 hours per class in 2024 as a medium of communication with the disabled community. Other than beginner class, we have offered advanced Sign Language training to some of our internal staff, so as they can communicate better with the needy.

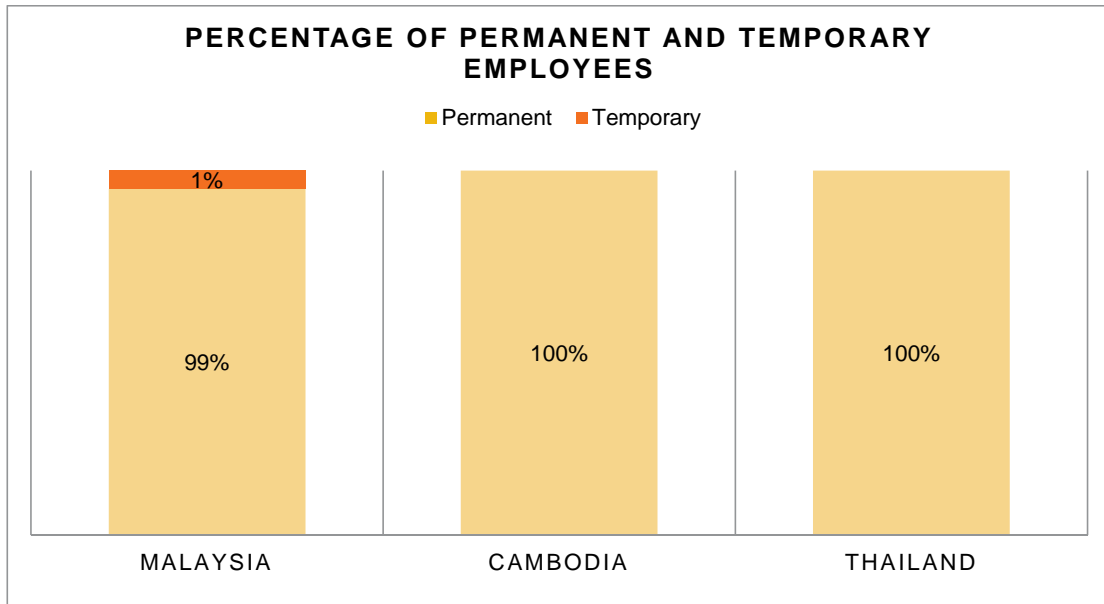
We strongly believe both employees, with and without disabilities benefit equally from a diverse work setting. As a result, employees are more likely to feel comfortable and happy in an environment where inclusivity is a priority.



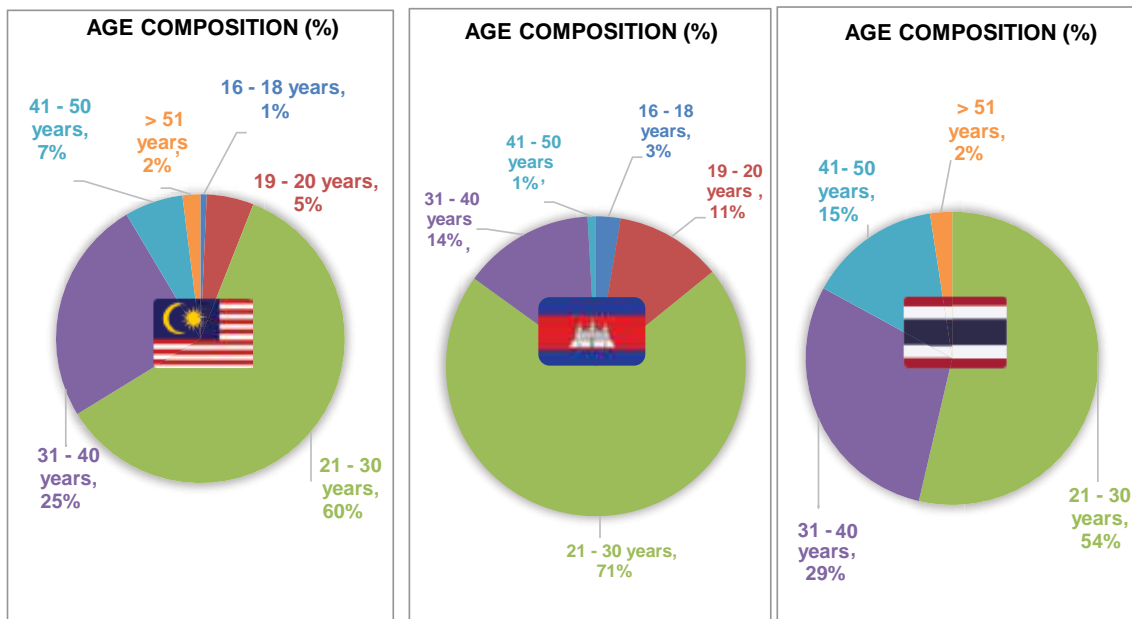
**SOCIAL: CARING FROM THE HEART
(CONT'D)**

1. OUR EMPLOYEES (CONT'D)

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



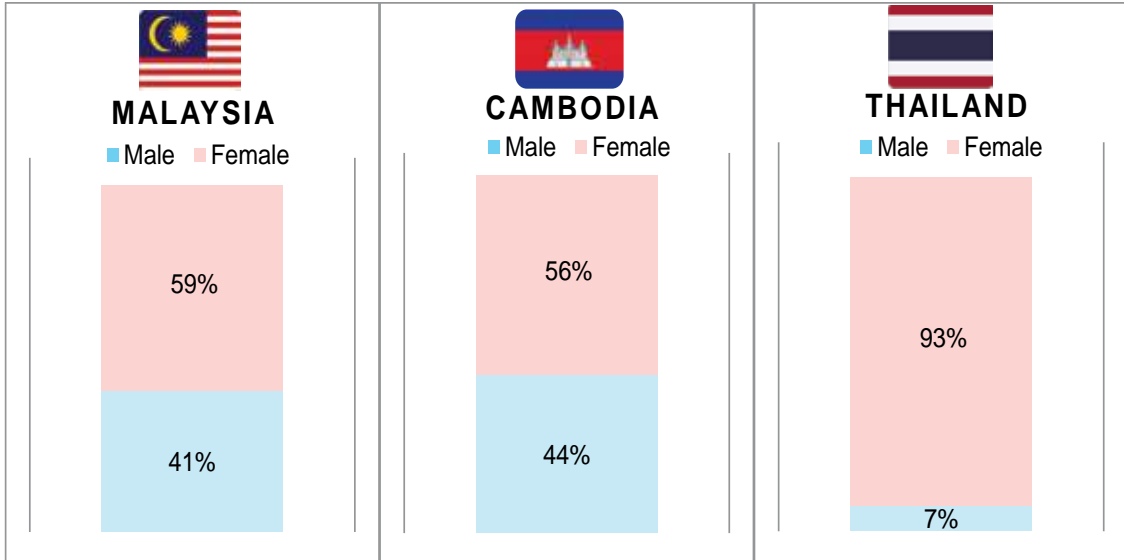
The pie chart below illustrates the age composition of Padini employees by region:



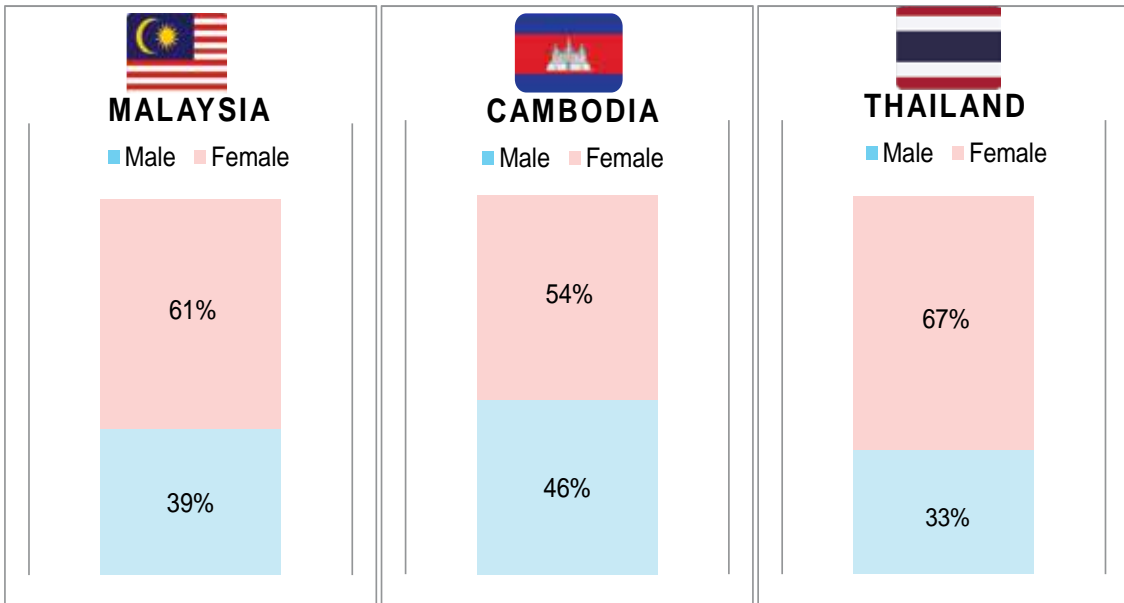


SOCIAL: CARING FROM THE HEART
(CONT'D)

1. OUR EMPLOYEES (CONT'D)



Gender Composition of Padini Employees by region



Salary Composition of Padini Employees by region



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)



EMPOWERING LOCAL TALENTS

Approximate to 100% employees locally hired

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



EMPLOYEES DEVELOPMENT AND GROWTH

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

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

Annually, we allocate a portion of our budget to employee training and development. In the financial year 2024, Padini has invested a total of approximately RM499,000 for all trainings, including in-house education, training programmes and external trainings for its employees. Training mostly covered job-specific topics such as effective communication, coaching skills, leadership, etc.

In addition to in-house training programmes, we provide support to our employees to seek external courses and certifications to upgrade their skills. For those wishing to upgrade their skills and competencies, grants, loans, paid study leaves, time off for examinations as well as numerous in-house training programmes are provided. In the financial year 2024, approximately RM208,000 was spent on external training and certification. Over the year and across the Group, a total of one hundred and twenty-one (121) internal and external trainings have been organised.

Employee Internal Training Programmes - throughout the financial year 2024:

Target Group: All Employees

1. Good Etiquettes and Behaviours
2. Effective Performance Management
3. Positive Working Attitude
4. Retail Service in Action
5. Customer Focused Mindset
6. New Staff Orientation
7. Hiring & Interviewing
8. Employment Manual
9. Coaching for Performance
10. Business English Level I (Beginner)
11. Business English Class Level II (Intermediate)
12. Effective Communication Skills Level I
13. Effective Communication Skills Level II



SOCIAL: CARING FROM THE HEART
(CONT'D)

1. OUR EMPLOYEES (CONT'D)

EMPLOYEES DEVELOPMENT AND GROWTH (CONT'D)

Employee External Training Programmes - throughout the financial year 2024:

1. Basic Ergonomics Risk At The Workplace Training
2. Basic Occupational First Aid, CPR & AED Training
3. Financial Literacy With AKPK (Literasi Kewangan Bersama AKPK)
4. Hazard Identification, Risk Assessment, Risk Control Training
5. Implementation Of E-Invoicing
6. Industrial Relations Act 1967 With Amendment Acts 2020
7. Industry 4.0 & E-Invoicing 2024
8. Malaysian Sign Language Level I
9. Malaysian Sign Language Level II (Intermediate)
10. Mastering The AI Managerial Toolset: A Deep Dive Into ChatGPT Program
11. Mental Health Programme - Understanding Stress & Managing Emotions
12. National Anti-Corruption Summit (NACS) 2024 By HRD Corp And MACC
13. Occupational Safety And Health Conference 2024
14. People Management Skills: Managing Various Personalities With DISC Training
15. Program Pendidikan Buruh
16. Salary Structure, Benefits & Benchmarking Training
17. Talent Management & Succession Planning Training
18. Tax Seminar On Budget 2024

JUNE 2024		
		
Customer Focused Mindset	Retail Service in Action	Business English Level II
	MAY 2024	APRIL 2024
Effective Performance Management		
Positive Working Attitude	Basic Ergonomics Risk at The Workplace Training	Industrial Relations Act 1967 With Amendment Acts 2020
		
	First Aid Training	Industry 4.0 & E-Invoicing



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)

EMPLOYEES DEVELOPMENT AND GROWTH (CONT'D)

MARCH 2024



Malaysian Sign Language Level II



Mindset Mastery Retreat

FEBRUARY 2024



National Anti-Corruption Summit (NACS) 2024



Mastering The AI Managerial Toolset: A Deep Dive into ChatGPT Program



Implementation Of E-Invoicing

JANUARY 2024

New Staff Orientation
Positive Working Attitude

DECEMBER 2023

Communication Skill
Business English Level I
Leadership Skills Training



First Aid Training



Malaysian Sign Language Level I

NOVEMBER 2023

Business English Level I
Customer Focused Mindset
Retail Service in Action



First Aid Training



Effective Communication Skills Level II



Financial Literacy With AKPK



Malaysian Sign Language Level



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)

EMPLOYEES DEVELOPMENT AND GROWTH (CONT'D)

OCTOBER 2023

Customer Focused Mindset
Coaching for Performance
Hiring & Interviewing



Coaching for Performance

Customer Focused Mindset



Effective Communication Skills
Level II



Retail Service in Action

JULY 2023



Customer Focused Mindset



Tax Seminar on Budget 2024

AUGUST 2023



Customer Focused Mindset



Hazard Identification, Risk
Assessment, Risk Control

SEPTEMBER 2023

Customer Focused Mindset
New Staff Orientation



Mindset Mastery Retreat



Business English Level I



New Staff Orientation



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)



REWARDING AND RECOGNISING OUR EMPLOYEES

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

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



Apart from that, all our confirmed employees are also entitled to generous employee discounts, ranging from 20% to 40% for the purchase of Padini's products, or up to RM2,000 per quarter.

At Padini, other than only supporting professional growth, we also embrace our employee's individual aspirations and accomplishments. In the financial year 2024, our staff member, Mohd Firdaus Bin Mohamad has participated in the fifth (5th) World Deaf Ten-Pin Bowling Tournament in Munich, Germany and won few prizes from the tournament. At Padini, we celebrate individual successes that contribute. To our talented Padini employees, we offer daily allowance for those who join domestic tournaments and international tournaments, with unrecorded leave granted according to the tournament dates. Achievement awards range from RM200 to RM600 for domestic tournaments, and RM1,000 to RM3,000 for international tournaments. Besides, sports equipment claims for tournaments are capped at RM1,000 per annum, and participants are eligible for one post-tournament sports massage session.



EMPLOYEES WELLNESS AND ENGAGEMENT

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

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



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)

EMPLOYEES WELLNESS AND ENGAGEMENT (CONT'D)

During the financial year 2024, the following programmes were conducted for the benefit and bonding of the employees:

Physical Fitness

- Badminton
- Yoga
- Zumba
- Cardio Boxing

Competitive Sports Event

- Federation of Malaysian Manufacturers (FMM) Bowling Tournament 2023
- Padini Bowling Tournament 2023 @ Ipoh Bowl, Ipoh
- Padini Badminton Tournament 2024 @ TJH Sport Centre, Shah Alam

Health & Wellness

- Mental Health Talk: Understanding Stress & Managing Emotions
- Mental Health Talk: Building A Resilience
- Educational Health Talk: Cancer Awareness with Cancer Research Malaysia
- Hearing Talk: Cakna Pendengaran with Hospital Canselor Tuanku Muhriz
- Hearing Screening by Eartistic Shah Alam
- Physiotherapy Service by Eartistic Shah Alam
- Pathlab Health Screening
- VitaHealth Health Screening
- VitaHealth Health Talk
- Anytime Fitness Corporate Membership
- Hair Scalp Screening by Miracle Hair
- Dental Screening by ST Tiew Dental
- Eye Screening by Vista Eye Specialist
- Basic-to-Complete Eye Check by Season Optical Group
- Spine and Nerve Screening by Aim's Chiropractic

Diversity & Inclusion

- International Day of Persons with Disabilities Celebration
- International Women's Day Masterclass Session with Ms. Daphne Robert, Corporate Trainer
- Freshly baked cakes by Huckleberry in aid of Rumah Juara by The Glad Shop

Strategic Financial Management

- Perbadanan Tabung Pendidikan Tinggi Nasional Roadshow
- Financial Literacy with Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Food & Beverage Deals

- Bites Food Sale - Yakult, Delfi, Five Senses Enterprise Sdn Bhd, Milky Ways

Beauty & Lifestyle

- Make-up and Grooming Session by Elianto
- Perfume, Layering and Personalities by Avon
- Henna Arts by Qilahennaaa
- Nail salon by Nail Gurau
- Beauty and Health Product Sales by Nurraysa
- Perfume, Home Fragrances and Candle Sales by I-Scent



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)

EMPLOYEES WELLNESS AND ENGAGEMENT (CONT'D)



Bites Food Sale



Bites Food Sale



Pokka Day



Eye Screening



Hair Scalp Screening



PTPTN roadshow



Padini Bowling Tournament



FMM Bowling Tournament



Padini Badminton Tournament



International Day of Persons with Disabilities



Mental Health Program



Cancer Awareness Talk



Cardio boxing



Yoga



Zumba

 **SOCIAL: CARING FROM THE HEART (CONT'D)**

1. OUR EMPLOYEES (CONT'D)



SUPPORTING NEW MUMS AT WORK

- Nursing Room
- Flexible Lactation Breaks
- Maternity Parking

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



OPEN WORKFORCE COMMUNICATIONS

Practice open communication

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



WELFARE PROVISIONS FOR EMPLOYEES IN TIMES OF EMERGENCY AND CRISIS

Charity begins at home

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



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Reduced accident rates

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

In the financial year 2024, we recorded sixteen (16) minor injuries in Malaysia, two (2) in Thailand and no reported cases in Cambodia. Most of these incidents occurred while employees were organising stock in stores. To reduce the number of accidents, we have provided more efficient equipment such as trolleys, conducted instructions training and issued an internal memo to keep staff alert on safety concerns.

Accident Type	FY 2024	FY 2023	FY 2022
Workplace	18	13	1

Number of Accident Cases



SOCIAL: CARING FROM THE HEART (CONT'D)

1. OUR EMPLOYEES (CONT'D)



RAISING TOMORROW'S LEADERS

Sponsorships for study and training programmes

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

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

Sponsorships for work related study/ training	
Management Level	Up to RM10,000 per annum without bond
Executive Level	Up to RM5,000 per annum without bond
Non-Executive Level	Up to RM2,500 per annum without bond



TRAINING PROGRAMMES FOR GRADUATES

Since financial year 2009, Padini had, on an annual basis conducted training programmes for graduates. The programmes had initially targeted graduates interested in pursuing management career opportunities in the retail apparel industry as well as graduates who are keen to obtain some practical working experience by serving as interns. The programmes were modified later to focus more exclusively on preparing participants for careers in the apparel retail trade, with details as follows:

National Dual Training System / Sistem Latihan Dual Nasional ("SLDN")

Introduced in August of 2022, SLDN is an industry-oriented programme that merges workplace and institutional training. Collaboration with Department of Skills Development ("DSD") from Human Resource Ministry and Vision Diagnostic Sdn Bhd. Conducted over approximately one (1) year period, this programme comprised both classroom and on-the-job training at our stores and learning included retail operation such as stock arrangement, customer services, cashiering etc. Upon completion of both designated hands-on training and final test conducted at the end of training programme, DSD will award successful apprentices with national skills qualification.



FACILITATING CAREER ADVANCEMENT

Encourage transfer of stores or department

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



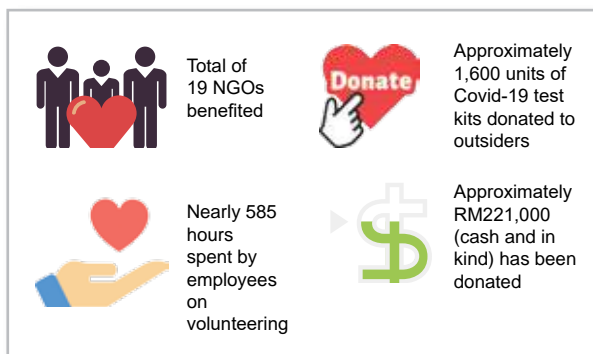
STRENGTHENING EMPLOYEE SATISFACTION

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



SOCIAL: CARING FROM THE HEART (CONT'D)

2. OUR COMMUNITY



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

We embrace causes that most affect people's lives every day, such as the environment, community development, healthcare, culture, sports, and education. These programmes deliver both social and business benefits: our communities' benefit from the long-term impact of our employee volunteer efforts, and our business is rewarded with more engaged employees who are passionate about making a difference in the world.

STRENGTHENING VULNERABLE GROUPS

Donations of both monetary and in kind were made from proceeds derived from a variety of fund-raising activities conducted by the Kelab Kebajikan Syarikat Padini Holdings Berhad (formerly Caring From The Heart), a group consisting of employee volunteers from Padini. A total of approximately RM221,000 in cash and in kind were donated to the vulnerable group. Padini has been engaging with Orang Kurang Upaya ("OKU") as caterers for inhouse training food and beverages, in hope to promote inclusivity and provide meaningful opportunities for individuals with disabilities.

SUPPORTING THE HUMANITARIAN CAUSES

In the financial year 2024, Padini has been active in making positive impacts to the community through a variety of philanthropic initiatives. Approximately one thousand nine hundred (1,900) cartons or equivalent to approximately twenty-nine thousand (29,000) pieces of assorted Padini merchandises were donated in the financial year 2024. A total of nineteen (19) NGOs has benefited from the donation of assorted Padini Merchandises, and donation in cash and kind. The nineteen (19) NGOs are as follows:

1. Life Line Clothing Malaysia (LLCM)
2. GLAD PJ Shop
3. MBSJ Community Cabin
4. SJKC Lick Hung
5. Persatuan Kebajikan Ci Hang-Chempaka
6. Pusat Jagaan Kanak-Kanak Istimewa Lagenda
7. Pertubuhan Kebajikan Anak-anak Yatim dan OKU Mesra
8. Persatuan Kebajikan Kanak-Kanak Terencat Akal Malaysia
9. House of Joy, Puchong
10. Grace Home, Klang
11. Pusat Jagaan Rumah Juara
12. Pusat Kebajikan Kanak-Kanak Yatim dan Cacat Ceria Klang
13. Pertubuhan Kebajikan Yesuvin Mahligai
14. Pertubuhan Kebajikan Rumah Impian OKU Kuala Lumpur
15. Shan Ai Handicapped Welfare Home
16. Pertubuhan Rumah Anak Yatim Berkat Kasih (House of Love)
17. Rumah Nur Sakinah
18. My Kasih Foundation (SK SG DUA BENTONG and Charity Golf)
19. Lifezone Drug Rehabilitation Centre



SOCIAL: CARING FROM THE HEART (CONT'D)

2. OUR COMMUNITY (CONT'D)

SUPPORTING THE HUMANITARIAN CAUSES (CONT'D)



Hari Raya Celebration at Rumah Nur Sakinah



Chinese New Year Celebration at Pertubuhan Rumah Anak Yatim Berkat Kasih (House of Love)



Christmas Donation to Pertubuhan Kebajikan Yesuvin Mahligai



Movie Day with Pusat Jagaan Rumah Juara and Lifezone Drug Rehabilitation Centre



Deepavali Celebration at Pusat Kebajikan Kanak-Kanak Yatim dan Cacat Ceria Klang

COMMUNITY ENVIRONMENTAL PROJECT

During the financial year 2024, we had collected and sold for recycling, a total of approximately 4,600kg of used paper, plastic and paper products with the proceeds amounting to nearly RM1,800. While negligible, the sum was utilised in part to fund Padini's philanthropic activities.



**SOCIAL: CARING FROM THE HEART
(CONT'D)**

3. OUR CUSTOMER



CONSUMER PRIVACY

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



**CONSTANT IMPROVEMENT ON
CUSTOMER SERVICE**

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

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

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

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



MYSTERY SHOPPERS

In addition, to improve customer service, on an annual basis, we will choose minimum fifteen (15) outlets to have mystery shopping visits. During the financial year 2024, there is a total of eighty-three (83) outlets being chosen as part of our commitment to improving our customer experience. After conducting the mystery shopping visits, the mystery shoppers will then write a detailed report on a pre-defined and agreed-upon form, and the result will then be further analysed. Thereafter specific training will be given to those chosen outlets based on the reports of the mystery shopper on areas for improvement. Mystery shoppers will visit for another round to gauge the effectiveness of the training given and thus used as a benchmark in employees training and planning our future business policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board is pleased to present the Corporate Governance Overview Statement (“this Statement”) which seeks to provide shareholders and investors vital insights into the corporate governance (“CG”) practices of the Group to the investors for the financial year of 2024.

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 Bursa Malaysia’s Corporate Governance Guide (“CG Guide”).

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

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD OF DIRECTORS

1.1 Board Charter and Code of Conduct of the Board

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

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

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

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

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

Governance of Sustainability

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

Corporate Governance Overview Statement (Cont'd)

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

1. BOARD OF DIRECTORS (CONT'D)

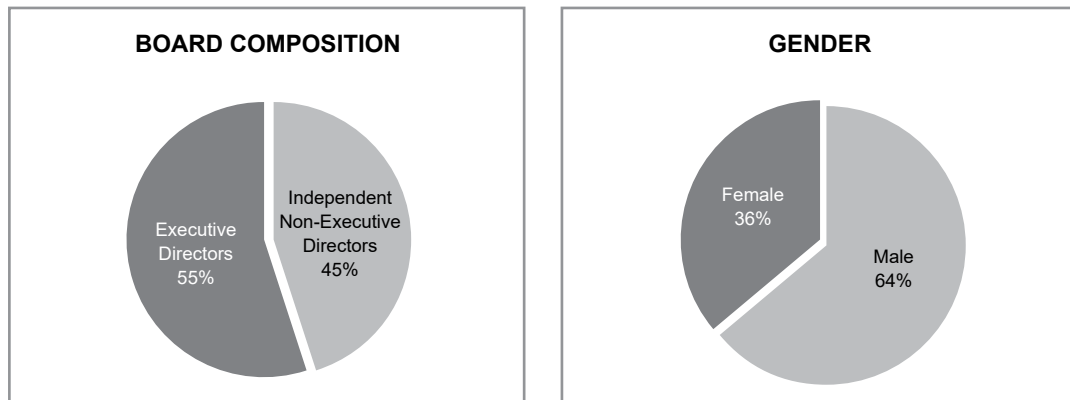
1.2 Roles and Responsibilities of the Board

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

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

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

1.3 Composition, Independence and Diversity of the Board



There are currently 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 Integrated Annual Report 2024 "Profile of Directors".

Corporate Governance Overview Statement (Cont'd)

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

1. BOARD OF DIRECTORS (CONT'D)

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

There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision-making. The position of Chairman is held by Datuk Lee Say Tshin (appointed from 1 January 2024 onwards) and Mr Chia Swee Yuen (from 1 July 2023 to 31 December 2023), both Independent Non-Executive Directors, 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.

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 four (4) 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.

On 31 December 2023, Mr Lee Peng Khoon and Mr Chia Swee Yuen resigned from the Board after serving as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. On 1 January 2024, an additional Independent Non-Executive Director, Mr Ng Chee Hoong, had been appointed. This is in line with the Board's refresh practice undertaken upon review of the current board composition which ensures appropriate representation and robust deliberation and decision making by the Board.

As of 31 August 2023, Ms. Chong Chin Lin has opted to step down from her role as an Executive Director of the Group, marking the conclusion of her extensive tenure. Mr. Christopher Yong Tze-Yao was appointed as the new Executive Director on 1 September 2023.

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.

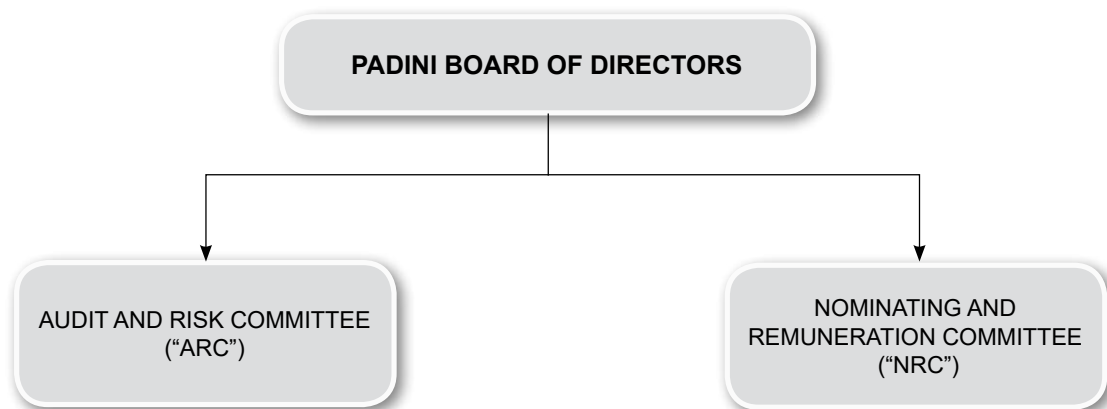
Corporate Governance Overview Statement (Cont'd)

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

1. BOARD OF DIRECTORS (CONT'D)

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.



1.5 Nominating and Remuneration Committee Report

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

- (1) The results of the performance and evaluation of (i) the Directors and the Board and (ii) the Audit Committee and its members, for the year ended 30 June 2023;
- (2) Re-election of Directors retiring at the Annual General Meeting in accordance with Clause 103(1) and Clause 110 of the Company's Constitution;
- (3) Retention of Independent Directors;
- (4) Appointments of an Executive Director and an Independent Director;
- (5) Composition of the Board Committees;
- (6) Extension of the period of service of the Managing Director;
- (7) Directors' fee for the financial year ended 30 June 2024;
- (8) Directors' Benefits payable for the period from 1 July 2023 to the Annual General Meeting to be held in 2024;
- (9) Revision of the remuneration of an Executive Director;
- (10) Revision of the remuneration of the Independent Non-Executive Directors;
- (11) The results of the Key Performance Indications (“KPI”) for the year ended 30 June 2023, the detailed KPI for the financial year 2023/2024 and the Mid Year Report on KPI for the financial year 2023/2024;
- (12) Trainings attended by Directors to-date and their further training needs and requirements; and
- (13) Establishment of a training program for members of the Audit and Risk Committee.

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

Corporate Governance Overview Statement (Cont'd)

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

1. BOARD OF DIRECTORS (CONT'D)

1.6 Board Meeting

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

Details of the attendance are as follow:-

DIRECTORS		POSITION	BOARD MEETINGS ATTENDED
1	Datuk Lee Say Tshin	Chairman, Independent Non-Executive Director	5/5
2	Mr Yong Pang Chaun	Managing Director	5/5
3	Mr Andrew Yong Tze How	Executive Director	5/5
4	Mr Benjamin Yong Tze Jet	Executive Director	5/5
5	Ms Chew Voon Chyn	Executive Director	5/5
6	Ms Sung Fong Fui	Executive Director	5/5
7	Mr Christopher Yong Tze-Yao	Executive Director	4/4 [#]
8	Ms Tan Shi Wen	Independent Non-Executive Director	5/5
9	Ms Tan Poh Ling	Independent Non-Executive Director	5/5
10	Mr Timothy Tan Heng Han	Independent Non-Executive Director	5/5
11	Mr Ng Chee Hoong	Independent Non-Executive Director	2/2 [*]
12	Ms Chong Chin Lin	Executive Director	1/1 [^]
13	Mr Chia Swee Yuen	Chairman, Independent Non-Executive Director	3/3 ⁺
14	Mr Lee Peng Khoon	Independent Non-Executive Director	3/3 ⁺

[#] Mr Christopher Yong Tze-Yao was appointed to the Board on 1 September 2023

^{*} Mr Ng Chee Hoong was appointed to the Board on 1 January 2024

[^] Ms Chong Chin Lin resigned from the Board on 31 August 2023

⁺ Mr Chia Swee Yuen and Mr Lee Peng Khoon resigned from the Board on 31 December 2023

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.

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)

The training programmes attended in financial year 2024 are as follows (Cont'd):-

No.	TRAINING/ COURSES	Datuk Lee Say Tshin	Mr Yong Pang Chaun	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Ms Chew Voon Chyn	Ms Sung Fong Fui	Mr Christopher Yong Tze- Yao	Ms Tan Shi Wen	Ms Tan Poh Ling	Mr Timothy Tan Heng Han	Mr Ng Chee Hoong	Mr Chia Swee Yuen*	Mr Lee Peng Khoon*
9	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers						√							√
10	Developments and Impacts of ESG on Corporate Malaysia						√							
11	Financial Reporting on Impact of Climate Change Effects						√							
12	The IFRS S1 and S2: Reporting, management and value creation						√							
13	27th Annual Competition Conference								√					
14	SMP Forum 2023									√				
15	Performing An ISAudit - Module 2 (ISA 300 & ISA 315)									√				

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)

The training programmes attended in financial year 2024 are as follows (Cont'd):-

No.	TRAINING/ COURSES	Datuk Lee Say Tshin	Mr Yong Pang Chaun	Mr Andrew Yong Tze How	Mr Benjamin Yong Tze Jet	Ms Chew Voon Chyn	Ms Sung Fong Fui	Mr Christopher Yong Tze- Yao	Ms Tan Shi Wen	Ms Tan Poh Ling	Mr Timothy Tan Heng Han	Mr Ng Chee Hoong	Mr Chia Swee Yuen*	Mr Lee Peng Khoon*
28	Audit Quality Enhancement Programme for SMPs											√		
29	The Journey to Net Zero											√		
30	Briefing on the Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Enhanced Sustainability Reporting Framework and Conflict of Interest											√		
31	Fighting Financial Crimes	√												
32	Connect with Our Value	√												

* Information as at 31 December 2023

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 2024 distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components are set out below in Ringgit Malaysia (RM):

Group

			Fees	Salaries & Bonuses	Statutory Contributions	Other Emoluments ^a	Total
1	Datuk Lee Say Tshin	Independent Non-Executive Director	111,500	–	–	6,000	117,500
2	Mr Yong Pang Chaun	Executive Director	–	2,160,684	86,428	24,600	2,271,712
3	Mr Andrew Yong Tze How	Executive Director	–	1,180,728	141,688	25,837	1,348,253
4	Mr Benjamin Yong Tze Jet	Executive Director	–	1,180,728	141,688	12,450	1,334,866
5	Ms Chew Voon Chyn	Executive Director	–	928,728	111,448	21,825	1,062,001
6	Ms Sung Fong Fui	Executive Director	–	1,276,728	153,208	31,150	1,461,086
7	Mr Christopher Yong Tze-Yao #	Executive Director	–	956,728	114,808	22,417	1,093,953
8	Ms Tan Shi Wen	Independent Non-Executive Director	95,000	–	–	6,000	101,000
9	Ms Tan Poh Ling	Independent Non-Executive Director	105,000	–	–	6,000	111,000
10	Mr Timothy Tan Heng Han	Independent Non-Executive Director	95,000	–	–	6,000	101,000
11	Mr Ng Chee Hoong*	Independent Non-Executive Director	52,500	–	–	2,000	54,500
12	Ms Chong Chin Lin [^]	Executive Director	–	52,000	2,080	3,420	57,500
13	Mr Chia Swee Yuen ⁺	Independent Non-Executive Director	64,000	–	–	4,000	68,000
14	Mr Lee Peng Khoon ⁺	Independent Non-Executive Director	50,000	–	–	4,000	54,000

Mr Christopher Yong Tze-Yao was appointed to the Board on 1 September 2023

* Mr Ng Chee Hoong was appointed to the Board on 1 January 2024

[^] Ms Chong Chin Lin resigned from the Board on 31 August 2023

⁺ Mr Chia Swee Yuen and Mr Lee Peng Khoon resigned from the Board on 31 December 2023

^a Included in other emoluments are allowances and benefits-in-kind

Corporate Governance Overview Statement (Cont'd)

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

1. BOARD OF DIRECTORS (CONT'D)

1.8 Directors' Remuneration (Cont'd)

Company

			Fees	Salaries & Bonuses	Statutory Contributions	Other Emoluments ^a	Total
1	Datuk Lee Say Tshin	Independent Non-Executive Director	111,500	–	–	6,000	117,500
2	Ms Tan Shi Wen	Independent Non-Executive Director	95,000	–	–	6,000	101,000
3	Ms Tan Poh Ling	Independent Non-Executive Director	105,000	–	–	6,000	111,000
4	Mr Timothy Tan Heng Han	Independent Non-Executive Director	95,000	–	–	6,000	101,000
5	Mr Ng Chee Hoong*	Independent Non-Executive Director	52,500	–	–	2,000	54,500
6	Mr Chia Swee Yuen [†]	Independent Non-Executive Director	64,000	–	–	4,000	68,000
7	Mr Lee Peng Khoon [‡]	Independent Non-Executive Director	50,000	–	–	4,000	54,000

* Mr Ng Chee Hoong was appointed to the Board on 1 January 2024

† Mr Chia Swee Yuen and Mr Lee Peng Khoon resigned from the Board on 31 December 2023

‡ Included in other emoluments are allowances and benefits-in-kind

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established by the Board to 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. Ng Chee Hoong, who was appointed on 1 January 2024. Prior to him, Ms Tan Poh Ling served as the Chairman from 1 February 2023 until 31 December 2023 and was then redesignated as a member from 1 January 2024. Both individuals are Independent Non-Executive Directors and neither serves as the Chairman of the Board so as not to impair the objectivity of the Board's view of the Audit and Risk Committee's findings and recommendations.

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

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2. RISK MANAGEMENT AND INTERNAL CONTROL

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

The Group's risk management and internal control systems are designed to meet the Group's particular needs, to efficiently and effectively manage risks that may impede the achievement of the Group's business objectives, and to provide information for accurate reporting and ensure 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 investors;
- The various disclosures and announcements on Bursa Securities' website including quarterly and annual results;
- The annual report;
- The AGM; and
- The Group's website, <https://corporate.padini.com>

2. CONDUCT OF GENERAL MEETINGS

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

Shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absence. This is in line with the 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.

Corporate Governance Overview Statement (Cont'd)

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

3. SENIOR MANAGEMENT

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

A remuneration package of senior management is established to ensure a good balance between attracting, retaining and motivating staff. The total remuneration package of the top ten (10) senior management has been disclosed in practice 8.2 of the Corporate Governance Report. Corporate Governance Report is available via 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 2024.

COMPOSITION OF THE AUDIT AND RISK COMMITTEE

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

- i. Mr Ng Chee Hoong (Independent Non-Executive Director; Chairman) *appointed on 1 January 2024*
- ii. Ms Tan Poh Ling (Independent Non-Executive Director; Member) *resigned as Chairman and re-designated as Member on 1 January 2024*
- iii. Ms Tan Shi Wen (Independent Non-Executive Director; Member)
- iv. Mr Timothy Tan Heng Han (Independent Non-Executive Director; Member)
- v. Datuk Lee Say Tshin (Independent Non-Executive Director; Member) *resigned as Member on 1 January 2024*
- vi. Mr Lee Peng Khoon (Independent Non-Executive Director; Member) *resigned as Member on 31 December 2023*

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 2024 are as follows:-

DIRECTORS		Meetings attended by the Directors/ Total Number of Meetings held during the financial year ended 30 June 2024	% of Attendance
1	Mr Ng Chee Hoong	2/2 ^α	100% ^α
2	Ms Tan Poh Ling	5/5	100%
3	Ms Tan Shi Wen	5/5	100%
4	Mr Timothy Tan Heng Han	5/5	100%
5	Datuk Lee Say Tshin	3/3 [*]	100% [*]
6	Mr Lee Peng Khoon	3/3 [^]	100% [^]

^α Mr Ng Chee Hoong was appointed as a Chairman of the Audit and Risk Committee on 1 January 2024

^{*} Datuk Lee Say Tshin resigned as a Member of the Audit and Risk Committee on 1 January 2024

[^] Mr Lee Peng Khoon resigned as a Member of the Audit and Risk Committee on 31 December 2023

The Group's Consolidated Financial Statements are prepared by finance personnel with the appropriate level of qualifications and expertise. The Committee reviews any published financial information including the Integrated Annual Report and quarterly financial reports. The Committee reports its views to the Board to assist in its approval of the results announcements and the Integrated 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 2024 are discussed by the Committee during the meeting.

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

SUMMARY OF THE WORK OF THE AUDIT AND RISK COMMITTEE

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

1. Financial Reporting

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

2. External Audit

- Reviewed with the statutory auditors, their audit plan for the financial year ended 30 June 2024 to ensure that their scope of work adequately covers the activities of the Group;
- Reviewed the results and issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their presentation to the Committee;
- Reviewed the statutory auditor's report;
- The Audit and Risk Committee met with the statutory 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 statutory auditors, it was noted that there were no major concerns from the statutory auditors;
- Reviewed audit and non-audit fees for services awarded to the statutory auditors. Generally, the Group's statutory auditors is prohibited from providing any services that would conflict with their statutory responsibilities, or which would otherwise compromise their objectivity or independence. During the financial year, BDO PLT's audit fee amounted to RM260,100 and BDO PLT's non-audit fees was RM6,900; 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.

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

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

During the financial year, the Audit and Risk Committee carried out the following in discharging their function and duties (Cont'd):

3. Internal Audit

- Reviewed the reports by internal auditors, representations made, and corrective actions taken by the management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis. During the financial year, four (4) new reports and four (4) follow-up reports were presented to the Audit and Risk Committee focusing on the following matters:
 - ▶ Vinci Sales Operation
 - ▶ Management and Controls on Goods Return to Vendors for all Brands
 - ▶ Project Management (including Costing Negotiation and Control) for proposed new outlets
 - ▶ Finance Management and General Accounting
 - ▶ Sourcing and Quality Control Management
 - ▶ Project Development and Implementation for Information Technology Projects
- 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 meets with the internal auditors once during the year, without the presence of management, to review key issues within their sphere of interest and responsibility. During the private session with the internal auditors, it was noted that there were no major concerns from the internal auditors.
- Reviewed the effectiveness of the audit process and assessed the performance of the overall Internal Audit function.
- Reviewed the internal audit plan for the financial years ended 30 June 2023 and 2024.
- Reviewed the adequacy, scope, function, competency and resources of Internal Audit function.

4. Risk Assessment

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

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

INTERNAL AUDIT FUNCTION

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

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

STATUTORY AUDITORS

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The main features and the adequacy of Padini 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. Periodic discussions are held internally with each division and the consolidated risk register and action plans are updated accordingly. The updated consolidated risk register and major matters are then discussed at the Board meetings.

The six (6) elements are:



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

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

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

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

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

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

Our risk assessment process is as follows:

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

Statement on Risk Management and Internal Control (Cont'd)

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

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

The internal audit has proposed to the Audit and Risk Committee an audit plan covering the period from 2024 to 2026 in August 2024 and involving eight (8) auditable areas whose risk impact has 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 auditors engage 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 auditors 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 auditors' recommendations have not been adopted, the Board then seeks to satisfy itself that the alternative policies or processes adopted are appropriate for strategic or practical reasons specific to the business activity in

question, and that there is sufficient oversight over the alternatives used so that risks can be minimised. Where management agrees to implement the internal auditors' recommendations, the Audit and Risk Committee and the Board then seek a timeline for adoption and keep themselves apprised of the progress of the process of adoption.

On the matter of internal control, especially in relation to risks of financial loss arising from fraud, collusion and/or negligence, currently the activities of the Group, except for the payroll function, are controlled and monitored via an enterprise resource planning ("ERP") solution provided by SAP. Payroll processes are automated and controlled via Bossnet payroll software as a platform to manage payroll transactions such as salary, allowances, EPF, Socso and tax filing. All activities involving the procurement of assets (whether for trade or otherwise), and contracting for services, are all documented and recorded according to the protocols of the said ERP, which in most cases involve various duties performed separately and in rigid sequence by several 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 have been widely disseminated to the employees. A summary of the code of conduct and the whistle-blowing policy are posted on Padini's corporate website.

Statement on Risk Management and Internal Control (Cont'd)

REPORT FROM THE INTERNAL AUDITORS

Our internal auditors, Baker Tilly Monterio Heng Governance Sdn Bhd, have carried out and completed the internal audit 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").

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 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

On 18 October 2024, 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.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	146,595	76,281

DIVIDENDS

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

	Company RM'000
In respect of financial year ended 30 June 2024:	
First interim single tier dividend of 2.50 sen per ordinary share, paid on 29 September 2023	16,448
Second interim single tier dividend of 2.50 sen per ordinary share, paid on 29 December 2023	16,448
Third interim single tier dividend of 2.50 sen per ordinary share, paid on 29 March 2024	16,448
Fourth interim single tier dividend of 2.50 sen per ordinary share, paid on 28 June 2024	16,448
Special single tier dividend of 1.50 sen per ordinary share, paid on 28 June 2024	9,868
	75,660

The Directors do not recommend the payment of any final dividend for the financial year ended 30 June 2024.

On 27 August 2024, the Board of Directors declared a first interim single tier dividend of 2.50 sen per ordinary share of approximately RM16,448,000 in respect of the financial year ending 30 June 2025 and will be paid to the shareholders on 27 September 2024, whose names appear on the Record of Depositors of the Company at the close of business on 13 September 2024. The financial statements for the current financial year do not reflect this declared dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the next financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

EMPLOYEES' SHARE OPTION SCHEME

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

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

The salient features of the ESOS are as follows:

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

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

Directors' Report (Cont'd)

DIRECTORS

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

Padini Holdings Berhad

Yong Pang Chaun
Datuk Lee Say Tshin
Andrew Yong Tze How
Benjamin Yong Tze Jet
Christopher Yong Tze-Yao
Chew Voon Chyn
Sung Fong Fui
Tan Shi Wen
Tan Poh Ling
Timothy Tan Heng Han
Ng Chee Hoong (Appointed on 1 January 2024)
Chia Swee Yuen (Resigned on 31 December 2023)
Lee Peng Khoon (Resigned on 31 December 2023)

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, Benjamin Yong Tze Jet, Sung Fong Fui and Tan Poh Ling 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, Ng Chee Hoong retires at the forthcoming Annual General Meeting and being eligible, offers himself 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 2024 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:

	[----- Balance as at 1.7.2023/Date of appointment	[----- Number of ordinary shares -----]		Balance as at 30.6.2024
		Bought	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Yong Pang Chaun	9,691,960	–	–	9,691,960
Andrew Yong Tze How	32,000	–	–	32,000
Benjamin Yong Tze Jet	144,300	–	–	144,300
Christopher Yong Tze-Yao [^]	51,900	18,100	(10,000)	60,000
<u>Indirect interests:</u>				
Yong Pang Chaun	291,211,690	18,100	(10,000)	291,219,790
Chew Voon Chyn	5,000	–	–	5,000
Sung Fong Fui	35,000	5,000	–	40,000

[^] Appointed on 1 September 2023.

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received by certain Directors from subsidiaries as Directors of the subsidiaries.

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

Directors' Report (Cont'd)

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 were as follows:

	Group RM'000	Company RM'000
Fees	573	573
Short term employee benefits	7,770	34
Contributions to defined contribution plans	752	–
	9,095	607

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium paid by the Group and the Company for the financial year ended 30 June 2024 was RM14,913.

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 19 July 2024, Padini Dot Com Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement to acquire a freehold land and building for a total cash consideration of RM5,000,000.
- (b) On 27 August 2024, the Group announced to Bursa Securities the proposed issuance of up to 328,954,750 new ordinary shares in Padini ("Padini Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every two (2) existing Padini Shares held on the Entitlement Date ("Proposed Bonus Issue of Shares"). The Proposed Bonus Issue of Shares has not been completed as at the date of this report.

AUDITORS

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

Directors' Report (Cont'd)

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit		
- BDO PLT	260	56
- Other auditors	59	–
Non-statutory audit		
- BDO PLT	7	7
	326	63

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

Andrew Yong Tze How
Director

Kuala Lumpur
18 October 2024

Benjamin Yong Tze Jet
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 125 to 183 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 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

Kuala Lumpur
18 October 2024

Benjamin Yong Tze Jet
Director

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 125 to 183 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)
18 October 2024)

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 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 125 to 183.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

As at 30 June 2024, the carrying amount of inventories of the Group was RM288,212,000, which comprised completed garments, shoes and accessories, as disclosed in Note 12 to the financial statements.

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

Audit response

Our audit procedures included the following:

- a. obtained an understanding of the procedures and controls in relation to the assessment by the management on the identification and write down of slow moving and obsolete inventories;
- b. analysed the inventories turnover period and assessed the appropriateness of the write down of inventories by the management through verifications to the latest sales invoices for selected samples from inventory ageing;
- c. performed computer-assisted audit techniques on the lower of cost and net realisable value of inventories;

Independent Auditors' Report
To The Members Of Padini Holdings Berhad
(Cont'd)

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

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

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

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

As at 30 June 2024, the carrying amounts of right-of-use assets and lease liabilities of the Group were RM509,818,000 and RM550,419,000 respectively, as disclosed in Note 6 to the financial statements.

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

Audit response

Our audit procedures included the following:

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

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

Independent Auditors' Report 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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

Independent Auditors' Report
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):

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) 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.

Independent Auditors' Report
To The Members Of Padini Holdings Berhad
(Cont'd)

OTHER MATTERS

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

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

Kuala Lumpur
18 October 2024

Tang Seng Choon
02011/12/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	115,089	86,253	41,350	42,484
Right-of-use assets	6	509,818	421,993	–	–
Intangible assets	7	3,246	3,943	–	–
Investment property	8	4,951	5,539	–	–
Investments in subsidiaries	9	–	–	277,381	277,381
Other investments	10	624	30,624	560	560
Deferred tax assets	11	12,758	13,268	–	–
		646,486	561,620	319,291	320,425
Current assets					
Inventories	12	288,212	433,232	–	–
Trade and other receivables	13	70,429	65,952	164	165
Amounts due from subsidiaries	14	–	–	74,045	71,039
Other investments	10	30,000	–	–	–
Current tax assets		3,072	–	–	–
Cash and bank balances	15	791,040	605,315	22,603	23,709
		1,182,753	1,104,499	96,812	94,913
TOTAL ASSETS		1,829,239	1,666,119	416,103	415,338

Statements of Financial Position
As At 30 June 2024
(Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	69,563	69,563	69,563	69,563
Reserves	17	1,041,547	970,525	345,624	345,003
TOTAL EQUITY		1,111,110	1,040,088	415,187	414,566
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	440,132	366,917	–	–
Provision for restoration costs	18	7,529	11,450	–	–
Provision for employee benefits	19	65	58	–	–
Deferred tax liabilities	11	635	623	–	–
		448,361	379,048	–	–
Current liabilities					
Trade and other payables	20	151,550	125,228	598	482
Borrowing	21	–	3,192	–	–
Contract liabilities	22	584	7,829	–	–
Lease liabilities	6	110,287	91,292	–	–
Provision for restoration costs	18	1,840	1,848	–	–
Current tax liabilities		5,507	17,594	318	290
		269,768	246,983	916	772
TOTAL LIABILITIES		718,129	626,031	916	772
TOTAL EQUITY AND LIABILITIES		1,829,239	1,666,119	416,103	415,338

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 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	24	1,918,847	1,822,129	73,450	73,450
Cost of sales	25	(1,223,743)	(1,104,374)	–	–
Gross profit		695,104	717,755	73,450	73,450
Other income		35,623	26,624	7,046	6,694
Selling and distribution costs		(416,846)	(344,449)	–	–
Administrative expenses		(91,715)	(82,294)	(2,683)	(3,417)
Profit from operations		222,166	317,636	77,813	76,727
Finance costs	26	(25,428)	(21,745)	–	–
Profit before tax	27	196,738	295,891	77,813	76,727
Tax expense	29	(50,143)	(73,200)	(1,532)	(1,377)
Profit for the financial year		146,595	222,691	76,281	75,350
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	29(d)	87	2,007	–	–
Total other comprehensive income, net of tax		87	2,007	–	–
Total comprehensive income		146,682	224,698	76,281	75,350
Earnings per ordinary share (sen)					
- Basic and diluted	31	22.28	33.85		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Note	[----- Non-distributable -----]		Distributable	Total equity RM'000
		Share capital RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
Balance as at 1 July 2022		69,563	5,704	815,783	891,050
Profit for the financial year		–	–	222,691	222,691
Foreign currency translations, net of tax	29(d)	–	2,007	–	2,007
Total comprehensive income		–	2,007	222,691	224,698
Transactions with owners					
Dividends paid	30	–	–	(75,660)	(75,660)
Total transactions with owners		–	–	(75,660)	(75,660)
Balance as at 30 June 2023		69,563	7,711	962,814	1,040,088
Balance as at 1 July 2023		69,563	7,711	962,814	1,040,088
Profit for the financial year		–	–	146,595	146,595
Foreign currency translations, net of tax	29(d)	–	87	–	87
Total comprehensive income		–	87	146,595	146,682
Transactions with owners					
Dividends paid	30	–	–	(75,660)	(75,660)
Total transactions with owners		–	–	(75,660)	(75,660)
Balance as at 30 June 2024		69,563	7,798	1,033,749	1,111,110

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Company	Note	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2022		69,563	345,313	414,876
Profit for the financial year		–	75,350	75,350
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	75,350	75,350
Transactions with owners				
Dividends paid	30	–	(75,660)	(75,660)
Total transactions with owners		–	(75,660)	(75,660)
Balance as at 30 June 2023		69,563	345,003	414,566
Profit for the financial year		–	76,281	76,281
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	76,281	76,281
Transactions with owners				
Dividends paid	30	–	(75,660)	(75,660)
Total transactions with owners		–	(75,660)	(75,660)
Balance as at 30 June 2024		69,563	345,624	415,187

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		196,738	295,891	77,813	76,727
Adjustments for:					
Accretion of discount from deposits for leases	27	(4,256)	–	–	–
Amortisation of intangible assets	7	1,483	1,462	–	–
Bad debts written off	27	1	2	–	–
Deposits written off	27	11	–	–	–
Depreciation of property, plant and equipment	5	24,202	16,518	1,134	1,435
Depreciation of right-of-use assets	6.1	117,977	98,074	–	–
Dividend income	24	–	–	(73,450)	(73,450)
Fair value loss on investment property	8	644	236	–	–
Gain on disposals of property, plant and equipment	27	(375)	(23)	–	–
Interest expense	26	25,428	21,745	–	–
Interest income	27	(19,754)	(16,845)	(477)	(320)
Inventory losses	12	4,505	5,747	–	–
Inventories written off	12	2,592	1,434	–	–
Inventories written down, net		104	1,753	–	–
Loss on reassessments and modifications of leases	6.1(c)	1,222	94	–	–
Property, plant and equipment written off	27	79	124	–	–
Reversal of provision for restoration costs	18(b)	(5,842)	(3,474)	–	–
Unrealised (gain)/loss on foreign exchange, net		(503)	(3,471)	–	554
Operating profit before changes in working capital		344,256	419,267	5,020	4,946
Changes in working capital:					
Inventories		137,948	(304,480)	–	–
Trade and other receivables		(8,125)	(9,188)	1	(21)
Trade and other payables		26,213	(53,465)	116	(266)
Contract liabilities		(7,245)	102	–	–
Provision for restoration costs		(430)	(340)	–	–
Cash generated from operations		492,617	51,896	5,137	4,659
Tax paid		(64,771)	(70,943)	(1,504)	(1,211)
Net cash from/(used in) operating activities		427,846	(19,047)	3,633	3,448

Statements of Cash Flows
For The Financial Year Ended 30 June 2024
(Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		–	–	(3,012)	(7,917)
Dividends received from subsidiaries		–	–	73,450	73,450
Interest received		19,754	16,845	477	320
Proceeds from disposal of property, plant and equipment		395	23	–	–
Purchases of:					
- intangible assets	7	(785)	(2,128)	–	–
- property, plant and equipment	5	(53,016)	(26,352)	–	–
- right-of-use assets	6.1(f)	(1,677)	(116)	–	–
Repayments from subsidiaries		–	–	6	5,795
Net cash (used in)/ from investing activities		(35,329)	(11,728)	70,921	71,648
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	30	(75,660)	(75,660)	(75,660)	(75,660)
Interest paid		(207)	(200)	–	–
Payments of lease interest	6.2(a)	(24,095)	(20,190)	–	–
Payments of lease liabilities	6.2(a)	(104,162)	(84,492)	–	–
Subscription of additional shares in a subsidiary	9(c)	–	–	–	(2,704)
Net cash used in financing activities		(204,124)	(180,542)	(75,660)	(78,364)
Net increase/(decrease) in cash and cash equivalents		188,393	(211,317)	(1,106)	(3,268)
Effects of exchange rate changes on cash and cash equivalents		524	4,587	–	–
Cash and cash equivalents at beginning of financial year		602,123	808,853	23,709	26,977
Cash and cash equivalents at end of financial year	15(g)	791,040	602,123	22,603	23,709

Statements of Cash Flows
For The Financial Year Ended 30 June 2024
(Cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM'000
At 1 July 2023	458,209
Cash flows:	
- Payments of lease interest	(24,095)
- Payments of lease liabilities	(104,162)
Non-cash flows:	
- Additions	98,333
- Interest expense	24,095
- Lease reassessments and modifications	97,939
- Foreign exchange differences	100
At 30 June 2024	550,419
At 1 July 2022	391,245
Cash flows:	
- Payments of lease interest	(20,190)
- Payments of lease liabilities	(84,492)
Non-cash flows:	
- Additions	37,533
- Interest expense	20,190
- Lease reassessments and modifications	113,113
- Foreign exchange differences	810
At 30 June 2023	458,209

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

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 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All the financial information presented in RM has been rounded to the nearest thousand (“RM’000”), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 18 October 2024.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRS 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 investments in shares of the subsidiaries.

(ii) Apparels and footwear

Promoting and marketing of fashionable apparels, footwear and accessories.

(iii) Management service

Provision of management services.

Other non-reportable segments comprise operation related to investment property holding.

The performance of the reportable segments 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 line as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

FINANCIAL STATEMENTS

Notes to the Financial Statements
(Cont'd)

4. OPERATING SEGMENTS (CONT'D)

2024	Investment holding RM'000	Apparels and footwear RM'000	Management service RM'000	Others RM'000	Elimination/ Adjustments RM'000	Total RM'000
Revenue						
Total revenue	73,450	1,928,035	159,681	-	-	2,161,166
Inter-segment revenue	(73,450)	(9,188)	(159,681)	-	-	(242,319)
Revenue from external customers	-	1,918,847	-	-	-	1,918,847
Interest income	477	15,778	4,074	26	(601)	19,754
Finance costs	-	(25,679)	(13,374)	(2)	13,627	(25,428)
Net finance income/(expense)	477	(9,901)	(9,300)	24	13,026	(5,674)
Amortisation of intangible assets	-	(92)	(1,391)	-	-	(1,483)
Depreciation of property, plant and equipment	(1,134)	(20,898)	(2,068)	(339)	237	(24,202)
Depreciation of right-of-use assets	-	(112,308)	(5,625)	(44)	-	(117,977)
Segment profit/(loss) before tax	77,813	174,449	18,714	(1,030)	(73,208)	196,738
Income tax expense	(1,532)	(44,476)	(4,123)	(16)	4	(50,143)
Other material non-cash items:						
- Inventory losses	-	(4,505)	-	-	-	(4,505)
- Inventories written down, net	-	(104)	-	-	-	(104)
- Inventories written off	-	(2,592)	-	-	-	(2,592)
- Loss on reassessments and modifications of leases	-	(1,222)	-	-	-	(1,222)
- Property, plant and equipment written off	-	(76)	(3)	-	-	(79)
- Reversal of provision for restoration costs	-	5,842	-	-	-	5,842
Additions to non-current assets other than financial instruments and deferred tax assets	-	133,976	28,838	4	(6)	162,812
Segment assets	416,103	1,669,226	455,671	31,999	(743,760)	1,829,239
Segment liabilities	916	772,787	384,252	64	(439,890)	718,129

Notes to the Financial Statements
(Cont'd)

4. OPERATING SEGMENTS (CONT'D)

2023	Investment holding RM'000	Apparels and footwear RM'000	Management service RM'000	Others RM'000	Elimination/ Adjustments RM'000	Total RM'000
Revenue						
Total revenue	73,450	1,830,576	130,725	-	-	2,034,751
Inter-segment revenue	(73,450)	(8,447)	(130,725)	-	-	(212,622)
Revenue from external customers	-	1,822,129	-	-	-	1,822,129
Interest income	320	13,904	2,729	16	(124)	16,845
Finance costs	-	(21,821)	(11,808)	(3)	11,887	(21,745)
Net finance income/(expense)	320	(7,917)	(9,079)	13	11,763	(4,900)
Amortisation of intangible assets	-	(154)	(1,308)	-	-	(1,462)
Depreciation of property, plant and equipment	(1,435)	(13,534)	(1,459)	(327)	237	(16,518)
Depreciation of right-of-use assets	-	(97,411)	(627)	(36)	-	(98,074)
Segment profit/(loss) before tax	76,727	281,196	11,800	(629)	(73,203)	295,891
Income tax expense	(1,377)	(69,084)	(2,729)	(14)	4	(73,200)
Other material non-cash items:						
- Inventory losses	-	(5,747)	-	-	-	(5,747)
- Inventories written down, net	-	(1,753)	-	-	-	(1,753)
- Inventories written off	-	(1,434)	-	-	-	(1,434)
- Loss on reassessments and modifications of leases	-	(94)	-	-	-	(94)
- Property, plant and equipment written off	-	(121)	(3)	-	-	(124)
- Reversal of provision for restoration costs	-	3,474	-	-	-	3,474
Additions to non-current assets other than financial instruments and deferred tax assets	-	67,215	4,860	85	(8)	72,152
Segment assets	415,338	1,530,748	383,914	32,921	(696,802)	1,666,119
Segment liabilities	772	693,312	324,532	106	(392,691)	626,031

Notes to the Financial Statements
(Cont'd)**4. OPERATING SEGMENTS (CONT'D)****Geographical segments**

In presenting on the basis of geographical areas, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets of the Group.

	Revenue		Non-current assets*	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	1,853,506	1,763,741	592,996	473,286
Asia (excluding Malaysia)	65,341	58,388	40,108	44,442
	1,918,847	1,822,129	633,104	517,728

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

* The amounts of non-current assets do not include other investments and deferred tax assets.

Notes to the Financial Statements
(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Furniture and fixtures RM'000	Motor vehicles RM'000	Office equipment and tools RM'000	Total RM'000
At cost							
Balance as at 1 July 2023	12,240	42,861	8,934	179,279	1,326	110,949	355,589
Additions	-	-	-	29,514	724	22,778	53,016
Disposals	-	-	-	-	(988)	(20)	(1,008)
Written off	-	-	-	(20,393)	-	(9,046)	(29,439)
Reclassifications*	-	-	-	-	1,386	-	1,386
Foreign exchange differences	-	-	97	46	-	49	192
Balance as at 30 June 2024	12,240	42,861	9,031	188,446	2,448	124,710	379,736
Accumulated depreciation							
Balance as at 1 July 2023	-	12,450	3,729	158,179	1,155	93,823	269,336
Charge for the financial year	-	857	332	13,981	80	8,952	24,202
Disposals	-	-	-	-	(968)	(20)	(988)
Written off	-	-	-	(20,371)	-	(8,989)	(29,360)
Reclassifications*	-	-	-	-	1,366	-	1,366
Foreign exchange differences	-	-	43	17	-	31	91
Balance as at 30 June 2024	-	13,307	4,104	151,806	1,633	93,797	264,647
Carrying amount							
Balance as at 30 June 2024	12,240	29,554	4,927	36,640	815	30,913	115,089

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

Notes to the Financial Statements
(Cont'd)

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

Group	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Furniture and fixtures RM'000	Motor vehicles RM'000	Office equipment and tools RM'000	Total RM'000
At cost							
Balance as at 1 July 2022	12,240	42,861	8,383	177,566	1,328	108,802	351,180
Additions	-	-	-	16,201	-	10,151	26,352
Disposals	-	-	-	(77)	-	(2)	(79)
Written off	-	-	-	(15,017)	(2)	(8,400)	(23,419)
Foreign exchange differences	-	-	551	606	-	398	1,555
Balance as at 30 June 2023	12,240	42,861	8,934	179,279	1,326	110,949	355,589
Accumulated depreciation							
Balance as at 1 July 2022	-	11,593	3,189	164,672	1,102	94,498	275,054
Charge for the financial year	-	857	317	8,029	55	7,260	16,518
Disposals	-	-	-	(77)	-	(2)	(79)
Written off	-	-	-	(15,013)	(2)	(8,280)	(23,295)
Foreign exchange differences	-	-	223	568	-	347	1,138
Balance as at 30 June 2023	-	12,450	3,729	158,179	1,155	93,823	269,336
Carrying amount							
Balance as at 30 June 2023	12,240	30,411	5,205	21,100	171	17,126	86,253

Notes to the Financial Statements
(Cont'd)

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

Company	Freehold land RM'000	Buildings on freehold land RM'000	Furniture and fixtures RM'000	Office equipment and tools RM'000	Total RM'000
At cost					
Balance as at 1 July 2023	12,240	41,696	3,457	4,699	62,092
Written off	–	–	(12)	–*	(12)
Balance as at 30 June 2024	12,240	41,696	3,445	4,699	62,080
Accumulated depreciation					
Balance as at 1 July 2023	–	11,753	3,457	4,398	19,608
Charge for the financial year	–	833	–	301	1,134
Written off	–	–	(12)	–*	(12)
Balance as at 30 June 2024	–	12,586	3,445	4,699	20,730
Carrying amount					
Balance as at 30 June 2024	12,240	29,110	–	–	41,350
At cost					
Balance as at 1 July 2022/ 30 June 2023	12,240	41,696	3,457	4,699	62,092
Accumulated depreciation					
Balance as at 1 July 2022	–	10,918	3,457	3,798	18,173
Charge for the financial year	–	835	–	600	1,435
Balance as at 30 June 2023	–	11,753	3,457	4,398	19,608
Carrying amount					
Balance as at 30 June 2023	12,240	29,943	–	301	42,484

* Less than RM1,000

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 are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal depreciation periods are as follows:

Buildings on freehold land	50 years
Buildings on leasehold land	25 years
Furniture and fixtures	3 - 5 years
Motor vehicles	5 years
Office equipment and tools	4 - 5 years

Freehold land has unlimited useful life and is not depreciated.

Notes to the Financial Statements
(Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

6.1 Right-of-use assets

Group	Balance as at 1 July 2023 RM'000	Additions RM'000	Depreciation RM'000	Lease reassessments and modifications		Reclassifications* RM'000	Foreign exchange differences RM'000	Balance as at 30 June 2024 RM'000
				reassessments RM'000	modifications RM'000			
Carrying amount								
Retail shop, signage and storage spaces	411,861	91,157	(111,964)	98,295	—	—	90	489,439
Hostel	—	143	(42)	—	—	—	—	101
Motor vehicles	940	1,275	(375)	—	(20)	—	—	1,820
Office equipment	2,674	40	(1,134)	—	—	—	—	1,580
Renovation cost	6,518	1,211	(2,437)	(1,578)	—	—	4	3,718
Tools and equipment	—	15,185	(2,025)	—	—	—	—	13,160
	421,993	109,011	(117,977)	96,717	(20)	—	94	509,818

Group	Balance as at 1 July 2022 RM'000	Additions RM'000	Depreciation RM'000	Lease reassessments and modifications		Foreign exchange differences RM'000	Balance as at 30 June 2023 RM'000
				reassessments RM'000	modifications RM'000		
Carrying amount							
Retail shop, signage and storage spaces	357,734	33,875	(94,017)	113,604	—	665	411,861
Motor vehicles	423	836	(319)	—	—	—	940
Office equipment	612	2,938	(924)	48	—	—	2,674
Renovation cost	3,924	6,023	(2,814)	(633)	—	18	6,518
	362,693	43,672	(98,074)	113,019	683	—	421,993

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

Notes to the Financial Statements
(Cont'd)**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)****The Group as lessee (Cont'd)****6.1 Right-of-use assets (Cont'd)**

- (a) The right-of-use assets represent non-cancellable operating lease agreements entered into by the Group for the use of retail shop, signage and storage spaces, hostel, office equipment and other assets, which are acquired under hire purchase agreements.

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 remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Retail shop, signage and storage spaces	1 - 16 years (2023: 1 - 14 years)
Hostel	2 years (2023: Nil)
Motor vehicles	5 years
Office equipment	1 - 6 years (2023: 3 - 6 years)
Renovation cost	1 - 16 years (2023: 1 - 14 years)
Tools and equipment	5 years (2023: Nil)

- (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 amounts recognised in profit or loss:

	Group	
	2024	2023
	RM'000	RM'000
Depreciation charge of right-of-use assets (included in administrative expenses)	2,443	355
Depreciation charge of right-of-use assets (included in selling and distribution costs)	115,534	97,719
Interest expense on lease liabilities (included in finance costs)	24,095	20,190
Expense relating to short-term leases (included in administrative expenses)	9	25
Expense relating to short-term leases (included in selling and distribution costs)	644	261
Expense relating to leases of low-value assets (included in administrative expenses)	3	2
Expense relating to leases of low-value assets (included in selling and distribution costs)	190	68
Loss on reassessments and modifications of leases (included in selling and distribution costs)	1,222	94
Variable lease payments:		
- others (included in administrative expenses)	13	1
- others (included in selling and distribution costs)	40,313	48,921
	184,466	167,636

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

6.1 Right-of-use assets (Cont'd)

- (d) The following are total cash outflows for leases of the Group as a lessee:

	Group	
	2024 RM'000	2023 RM'000
Included in net cash from/(used in) operating activities:		
Payments relating to short-term leases	653	286
Payments relating to leases of low value assets	193	70
Payments relating to variable lease payments not included in the measurement of lease liabilities	40,326	48,922
	41,172	49,278
Included in net cash used in financing activities:		
Payments of lease interest	24,095	20,190
Payments of lease liabilities	104,162	84,492
	128,257	104,682
	169,429	153,960

- (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	
	2024 RM'000	2023 RM'000
Additions of right-of-use assets	109,011	43,672
Additions via lease liabilities	(98,333)	(37,533)
Excess of the transaction price over the fair value of deposits for leases capitalised	(7,790)	–
Provision for restoration costs capitalised	(1,211)	(6,023)
Cash payments on purchase of right-of-use assets	1,677	116

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	
	2024	2023
	RM'000	RM'000
Represented by:		
Current liabilities	110,287	91,292
Non-current liabilities	440,132	366,917
	550,419	458,209
Lease liabilities owing to financial institutions	13,495	802
Lease liabilities owing to non-financial institutions	536,924	457,407
	550,419	458,209

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

	Group	
	2024	2023
	RM'000	RM'000
Balance as at 1 July	458,209	391,245
Additions	98,333	37,533
Interest expense	24,095	20,190
Lease reassessments and modifications	97,939	113,113
Payments of lease liabilities	(104,162)	(84,492)
Payments of lease interest	(24,095)	(20,190)
Foreign exchange differences	100	810
Balance as at 30 June	550,419	458,209

- (b) The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant option. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amount of the lease liabilities of the Group.
- (c) The Group has lease contracts that include extension and termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the business needs of the Group.
- (d) The possibility for the Group to exercise the termination options is unlikely after taking into consideration of relevant facts and circumstances including past experience, cost and economic incentive that will be involved to exercise the termination options.

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

6.2 Lease liabilities (Cont'd)

- (e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group:

Group	Weighted average incremental borrowing rate per annum %	Within one 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 2024						
Lease liabilities	3.39 - 9.51	110,287	94,098	206,931	139,103	550,419
30 June 2023						
Lease liabilities	3.50 - 9.51	91,292	88,808	179,597	98,512	458,209

- (f) Management exercises significant judgement in determining the incremental borrowing rate whenever the implicit rate of interest in a lease is not readily determinable as well as the lease term. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar values as the right-of-use assets in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.
- (g) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
30 June 2024				
Lease liabilities	131,944	348,468	150,479	630,891
30 June 2023				
Lease liabilities	109,490	309,326	107,624	526,440

The Group as lessor

The Group has entered into non-cancellable lease agreements on an investment property for terms of one (1) year (2023: one (1) to two (2) years).

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

	Group	
	2024 RM'000	2023 RM'000
Less than one (1) year	77	176
One (1) to two (2) years	–	65
	77	241

Notes to the Financial Statements
(Cont'd)

7. INTANGIBLE ASSETS

Group	System, applications and products RM'000	Computer software RM'000	Total RM'000
At cost			
Balance as at 1 July 2023	7,030	12,966	19,996
Additions	–	785	785
Written off	–	(35)	(35)
Foreign exchange differences	–	(2)	(2)
Balance as at 30 June 2024	7,030	13,714	20,744
Accumulated amortisation			
Balance as at 1 July 2023	6,134	9,919	16,053
Charge for the financial year	469	1,014	1,483
Written off	–	(35)	(35)
Foreign exchange differences	–	(3)	(3)
Balance as at 30 June 2024	6,603	10,895	17,498
Carrying amount			
Balance as at 30 June 2024	427	2,819	3,246
At cost			
Balance as at 1 July 2022	7,030	10,841	17,871
Additions	–	2,128	2,128
Written off	–	(37)	(37)
Foreign exchange differences	–	34	34
Balance as at 30 June 2023	7,030	12,966	19,996
Accumulated amortisation			
Balance as at 1 July 2022	5,665	8,935	14,600
Charge for the financial year	469	993	1,462
Written off	–	(37)	(37)
Foreign exchange differences	–	28	28
Balance as at 30 June 2023	6,134	9,919	16,053
Carrying amount			
Balance as at 30 June 2023	896	3,047	3,943

Notes to the Financial Statements (Cont'd)

7. INTANGIBLE ASSETS (CONT'D)

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

System, applications and products ("SAP") and computer software that do not form an integral part of the related hardware are treated as intangible assets with finite lives and are amortised over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal amortisation periods are as follows:

SAP	15 years
Computer software	5 years

8. INVESTMENT PROPERTY

	Group	
	2024	2023
	RM'000	RM'000
Workshop, at valuation		
Balance as at 1 July	5,539	5,428
Fair value loss	(644)	(236)
Foreign exchange differences	56	347
Balance as at 30 June	4,951	5,539

- (a) Investment property is initially measured at cost, including transaction costs. After initial recognition, investment property is measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss.
- (b) Rental income generated from the rental of investment property of the Group during the financial year amounted to RM228,000 (2023: RM182,000).
- (c) Direct operating expenses arising from the investment property generating rental income during the financial year are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Repairs and maintenance	30	29
Quit rent and assessment	12	7

Notes to the Financial Statements
(Cont'd)**8. INVESTMENT PROPERTY (CONT'D)**

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2024				
Workshop	–	–	4,951	4,951
30 June 2023				
Workshop	–	–	5,539	5,539

- (i) There was no transfer between levels in the hierarchy during the financial year.
- (ii) The Level 3 fair value of investment property is RM4,951,000 or equivalent to HKD8,170,000 (2023: RM5,539,000 or equivalent to HKD9,240,000). The Level 3 fair value of investment property is determined by an external and independent property valuer, who is a member of The Hong Kong Institute of Surveyors. The property valuer provides the fair value of the investment property of the Group annually. Changes in Level 3 fair value are analysed by the management annually after obtaining valuation report from the property valuer.
- (e) The following table shows the valuation technique and significant unobservable inputs used in determining the fair value measurement of investment property as well as the inter-relationship between key unobservable inputs and fair value:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Income capitalisation method	Capitalisation rate of 4.4% (2023: 3.9%)	The higher the capitalisation rate, the lower the fair value.
	Market rent per square feet of HKD19 or equivalent to RM12 (2023: HKD19 or equivalent to RM11)	The higher the market rent, the higher the fair value.

- (f) Investment property of the Group is mainly used to generate rental income. However, the fair value of the investment property reflects the highest and best use of the said property should the investment property be disposed. Currently, management does not intend to dispose of the investment property and the existing use of the investment property remains for rental purposes.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
At cost:		
- Unquoted shares	278,336	278,336
Less: Impairment losses	(955)	(955)
	277,381	277,381

Notes to the Financial Statements (Cont'd)

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses.
- (b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
Mikihouse Children's Wear Sdn. Bhd. ("Mikihouse")	Malaysia	100	100	Dealers of children's garments and accessories
Padini (Cambodia) Co., Ltd. ("Padini Cambodia") #	Cambodia	100	100	Dealers of ladies' shoes, garments and ancillary products
Padini (Thailand) Co., Ltd. ("Padini Thailand") #	Thailand	100	100	Dealers of ladies' shoes, garments and ancillary products
Padini Corporation Sdn. Bhd. ("Padini Corporation")	Malaysia	100	100	Dealers of garments and ancillary products
Padini Dot Com Sdn. Bhd. ("Padini Dot Com")	Malaysia	100	100	Provision of management services and electronic commerce
Padini International Limited ("PIL") #	Hong Kong	100	100	Dealers of ladies' shoes and ancillary products
Seed Corporation Sdn. Bhd. ("Seed")	Malaysia	100	100	Dealers of garments and ancillary products
The New World Garment Manufacturers Sdn. Bhd. ("The New World Garment")	Malaysia	100	100	Dormant
Vincci Holdings Sdn. Bhd. ("Vincci Holdings")	Malaysia	100	100	Dormant
Vincci Ladies' Specialties Centre Sdn. Bhd. ("Vincci")	Malaysia	100	100	Dealers of ladies' shoes and accessories
Yee Fong Hung (Malaysia) Sendirian Berhad ("Yee Fong Hung")	Malaysia	100	100	Dealers of garments and ancillary products
<i>Subsidiary of PIL</i>				
Padini (Thailand) Co., Ltd. ("Padini Thailand")#^	Thailand	82.2	82.2	Dealers of ladies' shoes, garments and ancillary

Subsidiaries not audited by BDO PLT or BDO Member Firms.

^ The remaining 13.4% and 4.4% (2023: 13.4% and 4.4%) shareholdings are held by the Company and Padini Dot Com respectively.

- (c) In the previous financial year, the Company subscribed for additional 20,000 ordinary shares in the share capital of Padini Thailand for a total cash consideration of RM2,704,000. The effective equity interest held by the Group in Padini Thailand remained at 100%.

Notes to the Financial Statements
(Cont'd)

10. OTHER INVESTMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Equity security				
- Unquoted shares in Malaysia	560	560	560	560
Club membership	64	64	—	—
Investments in structured product	—	30,000	—	—
	624	30,624	560	560
Current				
Investments in structured product	30,000	—	—	—
	30,000	—	—	—

- (a) The equity security is classified as financial asset at fair value through other comprehensive income while the club membership and investments in structured product 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 as at the end of the reporting period.

The fair value of club membership is determined by reference to the prevailing offer price of the club membership price.

The fair value of investments in structured product is estimated based on future cash flows that are derived from the expected applicable yield of the investments in structured product and discounted at rates that reflect the credit risk of the financial institution.

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:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
30 June 2024				
Other investments				
- Unquoted shares in Malaysia	–	–	560	560
- Club membership	–	–	64	64
- Investments in structured product	–	–	30,000	30,000
<hr/>				
30 June 2023				
Other investments				
- Unquoted shares in Malaysia	–	–	560	560
- Club membership	–	–	64	64
- Investments in structured product	–	–	30,000	30,000
<hr/>				
Company				
30 June 2024				
Other investment				
- Unquoted shares in Malaysia	–	–	560	560
<hr/>				
30 June 2023				
Other investment				
- Unquoted shares in Malaysia	–	–	560	560
<hr/>				

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

(d) The following table shows the significant unobservable inputs used in determining the fair value measurements of other investments as well as the inter-relationship between key unobservable inputs and fair values:

Financial instrument	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
Unquoted shares in Malaysia	Discounted industry price to book ratio (2024: 0.32; 2023: 0.35)	The higher the price to book ratio, the higher the fair value of the unquoted shares would be.
Club membership	Counterparty quotation	The higher the counterparty quotation, the higher the fair value of the club membership would be.
Investments in structured product	Comparable market interest rate	The lower the comparable market interest rate, the higher the fair value of the investments in structured product would be.

Notes to the Financial Statements (Cont'd)

10. OTHER INVESTMENTS (CONT'D)

- (e) Sensitivity analysis of market risk for other investments is not disclosed as it is not material to the Group and the Company.
- (f) The Group holds a forty percent (40%) interest in Cassardi Corporation Sdn. Bhd. ("Cassardi") for which the Group has determined that it does not have significant influence over Cassardi as:
- (i) The Group does not have any representative on the board of directors of Cassardi, and is therefore unable to participate in policy-making process of Cassardi;
 - (ii) There are no material transactions between the Group and Cassardi; and
 - (iii) There is no interchange of managerial personnel and provision of essential technical information between the Group and Cassardi.

Based on the above, the Group considers that it does not have the power to exercise significant influence and has treated its interest in Cassardi as a simple investment in unquoted shares in Malaysia.

11. DEFERRED TAX

- (a) Deferred tax assets and liabilities are made up of the following:

	Group	
	2024	2023
	RM'000	RM'000
Balance as at 1 July	12,645	11,433
Recognised in profit or loss (Note 29)	(532)	1,165
Foreign exchange differences	10	47
Balance as at 30 June	12,123	12,645
Presented after appropriate offsetting:		
Deferred tax assets, net	12,758	13,268
Deferred tax liabilities, net	(635)	(623)
	12,123	12,645

Notes to the Financial Statements (Cont'd)

11. DEFERRED TAX (CONT'D)

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

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 2023	1,879	10,135	1,593	13,607
Recognised in profit or loss	(1,739)	1,370	53	(316)
Foreign exchange differences	–	5	3	8
Balance as at 30 June 2024, prior to offsetting	140	11,510	1,649	13,299
Offsetting				(541)
Balance as at 30 June 2024				12,758
Balance as at 1 July 2022	1,854	7,702	1,349	10,905
Recognised in profit or loss	25	2,407	239	2,671
Foreign exchange differences	–	26	5	31
Balance as at 30 June 2023, prior to offsetting	1,879	10,135	1,593	13,607
Offsetting				(339)
Balance as at 30 June 2023				13,268

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 2023	(8)	(954)	(962)
Recognised in profit or loss	(1,046)	830	(216)
Foreign exchange differences	2	–	2
Balance as at 30 June 2024, prior to offsetting	(1,052)	(124)	(1,176)
Offsetting			541
Balance as at 30 June 2024			(635)

Notes to the Financial Statements
(Cont'd)**11. DEFERRED TAX (CONT'D)**

- (b) The components and movements of deferred tax assets and liabilities during the financial year are as follows: (Cont'd)

Deferred tax liabilities of the Group (Cont'd)

	Property, plant and equipment RM'000	Other deductible/ (taxable) temporary differences RM'000	Total RM'000
Balance as at 1 July 2022	1,200	(672)	528
Recognised in profit or loss	(1,224)	(282)	(1,506)
Foreign exchange differences	16	–	16
Balance as at 30 June 2023, prior to offsetting	(8)	(954)	(962)
Offsetting			339
Balance as at 30 June 2023			(623)

- (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	
	2024 RM'000	2023 RM'000
Unused tax losses:		
- No expiry date	10,745	10,063
- Expiring by 30 June 2023	–	41
- Expiring by 30 June 2024	2,327	2,260
- Expiring by 30 June 2025	1,994	1,936
- Expiring by 30 June 2026	2,942	2,857
- Expiring by 30 June 2027	2,802	2,721
- Expiring by 30 June 2028	6,118	6,083
- Expiring by 30 June 2029	361	–
Unabsorbed capital allowances	853	832
	28,142	26,793

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local and foreign tax authorities. Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board ("IRB").

Unabsorbed capital allowances do not expire under the tax legislation of IRB.

Notes to the Financial Statements (Cont'd)

12. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost		
Completed garments, shoes and accessories	284,512	428,161
At net realisable value		
Completed garments, shoes and accessories	3,700	5,071
	288,212	433,232

- (a) Inventories are stated at the lower of cost and net realisable value. Cost of inventories of the Group is determined using the weighted average method.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM1,199,464,000 (2023: RM1,073,800,000). The amounts of inventory losses, inventories written back, inventories written down and inventories written off recognised as cost of sales during the financial year are as follows:

	Group	
	2024 RM'000	2023 RM'000
Inventory losses	4,505	5,747
Inventories written back	(1,812)	(89)
Inventories written down	1,916	1,842
Inventories written off	2,592	1,434
	7,201	8,934

- (c) Inventories are written down to net realisable value when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management exercises significant judgements and makes significant estimates in writing down inventories to their net realisable values, which involve management specifically analyses future demand, coupled with the assessment of the estimated net selling prices of the inventories to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.
- (d) During the financial year, the Group wrote back RM1,812,000 (2023: RM89,000) in respect of inventories written down in the previous financial year that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

Notes to the Financial Statements
(Cont'd)

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables				
Third parties	19,237	9,654	–	–
Other receivables				
Third parties	310	1,475	–	–
Deposits	27,574	29,149	71	71
	27,884	30,624	71	71
Total receivables	47,121	40,278	71	71
Prepayments	23,308	25,674	93	94
	70,429	65,952	164	165

- (a) Trade and other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 2 to 60 days (2023: 2 to 60 days) from the date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Included in deposits of the Group are security and utility deposits on leases of RM19,847,000, which are amortised through accretion of discount at annual rates of 3.50% to 4.75% over the lease terms.
- (d) Impairment for trade receivables that do not contain a significant financing component is recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses a provision matrix to measure the expected credit losses of trade receivables using the flow rate method based on grouping of customers sharing similar credit risk characteristics, historical credit loss experience and observable data such as current changes and future forecasts in economic conditions.

During this process, the probability of non-payment by trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit losses for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group has identified the Gross Domestic Product ("GDP"), unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward looking information.

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

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Lifetime expected loss provision for trade receivables of the Group is as follows:

Group	Gross carrying amount RM'000	Lifetime expected credit losses RM'000	Net carrying amount RM'000
30 June 2024			
Collective assessment			
Current	17,236	—*	17,236
Past due			
1 to 30 days	1,952	—*	1,952
31 to 60 days	28	—*	28
More than 90 days	21	—*	21
	2,001	—*	2,001
	19,237	—*	19,237
30 June 2023			
Collective assessment			
Current	7,761	—*	7,761
Past due			
1 to 30 days	1,673	—*	1,673
31 to 60 days	192	—*	192
61 to 90 days	2	—*	2
More than 90 days	26	—*	26
	1,893	—*	1,893
	9,654	—*	9,654

* The effects of expected credit losses are negligible.

The collective assessment of impairment of trade receivables shares similar credit risk characteristics, industries and geographical location. The individual assessment of impairment of trade receivables is separately assessed when it is probable that cash due will not be received in full.

Notes to the Financial Statements
(Cont'd)**13. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (f) The credit risk exposures relating to trade receivables of the Group at the end of the reporting period are summarised as follows:

	Group	
	2024 RM'000	2023 RM'000
Maximum exposure	19,237	9,654
Collateral obtained	(6)	(4)
Net exposure to credit risk	19,231	9,650

Collateral obtained represents downpayments received from customers for the sale of goods.

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

- (g) Impairment for other receivables and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ("12-month") expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company defined significant increase in credit risk based on the operating performance of the receivables, payment trends and past due information, i.e. overdue amounts more than 120 days.

The probability of non-payment by other receivables and amounts due from subsidiaries are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and amounts due from subsidiaries.

The Group and the Company have identified the GDP, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise judgement in determining the probability of default by other receivables and amounts due from subsidiaries, appropriate forward looking information and significant increase in credit risk.

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

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) The currency exposure profile of trade and other receivables excluding prepayments is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	39,761	33,135	71	71
Chinese Renminbi	40	40	–	–
Hong Kong Dollar	23	23	–	–
Singapore Dollar	36	–	–	–
Thailand Baht	1,823	2,002	–	–
United States Dollar	5,438	5,078	–	–
	47,121	40,278	71	71

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

	Group		Group	
	2024 Profit after tax RM'000	Equity RM'000	2023 Profit after tax RM'000	Equity RM'000
Effects of 5% changes to RM against foreign currencies				
United States Dollar				
- strengthen by 5%	207	–	193	–
- weaken by 5%	(207)	–	(193)	–
Thailand Baht				
-strengthen by 5%	69	–	76	–
- weaken by 5%	(69)	–	(76)	–

The exposure to foreign currency risk of other currencies is not presented as changes in exchange rates would not materially affect profit after tax and equity of the Group.

(i) At the end of the reporting period, approximately eighty-eight percent (88%) (2023: eighty-eight percent (88%)) of the trade receivables of the Group were owed by five (5) major customers (2023: five (5) customers).

Notes to the Financial Statements
(Cont'd)**14. AMOUNTS DUE FROM SUBSIDIARIES**

	Company	
	2024 RM'000	2023 RM'000
Amounts due from subsidiaries	74,045	71,039

- (a) Amounts due from subsidiaries are classified as financial assets measured at amortised cost.
- (b) Amounts due from subsidiaries mainly represent advances and payments made on behalf, which are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.
- (c) Impairment for amounts due from subsidiaries is recognised based on general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 13(g) to the financial statements.

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

- (d) Amounts due from subsidiaries are denominated in RM.

15. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash at banks and on hand	731,804	548,188	22,603	23,709
Fixed deposits with licensed banks	59,236	57,127	–	–
	791,040	605,315	22,603	23,709

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with licensed banks of the Group have maturity period of 90 days (2023: 90 days), with interest at rates ranging from 3.45% to 3.70% (2023: 3.50% to 3.58%) per annum.
- (c) The weighted average effective interest rate of cash at banks as at the end of the reporting period is as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Weighted average effective interest rate - Floating rate	2.98	2.92	2.98	2.92

Notes to the Financial Statements (Cont'd)

15. CASH AND BANK BALANCES (CONT'D)

(d) The interest rate profile of the cash and bank balances at the end of the reporting period is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate	59,236	57,127	–	–
Floating rate	645,772	472,387	22,477	23,583

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

Sensitivity analysis of interest rate for floating rate instruments at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group			
	2024		2023	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 50 basis points changes				
50 basis points higher	2,454	–	1,795	–
50 basis points lower	(2,454)	–	(1,795)	–

	Company			
	2024		2023	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 50 basis points changes				
50 basis points higher	85	–	90	–
50 basis points lower	(85)	–	(90)	–

(e) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	714,291	538,480	22,603	23,709
Cambodia Riel	21	19	–	–
Chinese Renminbi	129	159	–	–
Hong Kong Dollar	197	280	–	–
Thailand Baht	3,788	6,571	–	–
United States Dollar	72,614	59,806	–	–
	791,040	605,315	22,603	23,709

Notes to the Financial Statements
(Cont'd)**15. CASH AND BANK BALANCES (CONT'D)**

(e) (Cont'd)

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

	Group			
	2024	Equity	2023	Equity
	Profit after tax RM'000	RM'000	Profit after tax RM'000	RM'000
Effects of 5% changes to RM against foreign currencies				
United States Dollar				
- strengthen by 5%	2,759	-	2,273	-
- weaken by 5%	(2,759)	-	(2,273)	-
Thailand Baht				
- strengthen by 5%	144	-	250	-
- weaken by 5%	(144)	-	(250)	-

The exposure to foreign currency risk of other currencies is not presented as changes in exchange rates would not materially affect profit after tax and equity of the Group.

- (f) No expected credit loss is recognised arising from cash at banks and fixed deposits with licensed banks because the probability of default by these financial institutions is negligible.
- (g) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances, as reported in statements of financial position	791,040	605,315	22,603	23,709
Bank overdraft (Note 21)	-	(3,192)	-	-
As reported in statements of cash flows	791,040	602,123	22,603	23,709

Notes to the Financial Statements (Cont'd)

16. SHARE CAPITAL

	Group and Company			
	2024	2023		
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares				
Issued and fully paid with no par value	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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable				
Foreign currency translation reserve	7,798	7,711	–	–
Distributable				
Retained earnings	1,033,749	962,814	345,624	345,003
	1,041,547	970,525	345,624	345,003

- (a) The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in the foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.
- (b) On 25 November 2022, the Company established an Employees' Share Option Scheme ("ESOS") for the granting of ESOS to eligible Executive Directors and employees of the Group. The ESOS was implemented on 3 March 2023.

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

Notes to the Financial Statements
(Cont'd)**17. RESERVES CONT'D)**

(b) (Cont'd)

The salient features of the ESOS are as follows:

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

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

18. PROVISION FOR RESTORATION COSTS

	Group	
	2024 RM'000	2023 RM'000
Non-current		
Provision for restoration costs	7,529	11,450
Current		
Provision for restoration costs	1,840	1,848
	9,369	13,298

Notes to the Financial Statements (Cont'd)

18. PROVISION FOR RESTORATION COSTS (CONT'D)

- (a) Provision for restoration costs comprise estimates of reinstatement costs for lease outlets upon the expiry of tenancy agreements. The liabilities for restoration costs are recognised at present value of the compounded future expenditure estimated using current price and discounted using discount rate of 3.88% (2023: 4.75%).
- (b) The reconciliation of movements in the carrying amount of the provision for restoration costs is as follows:

	Group	
	2024 RM'000	2023 RM'000
Balance as at 1 July	13,298	9,690
Recognised in right-of-use assets	1,211	6,023
Recognised in profit or loss (Note 26)	1,126	1,355
Reversal of provision for restoration costs	(5,842)	(3,474)
Utilised during the financial year	(430)	(340)
Foreign exchange differences	6	44
Balance as at 30 June	9,369	13,298

- (c) The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs is reviewed periodically and is updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

19. PROVISION FOR EMPLOYEE BENEFITS

The Group operates an unfunded, defined Retirement Benefit Scheme ("Scheme") for its eligible employees of its wholly-owned subsidiary, Padini (Thailand) Co., Ltd.. Under the Scheme, eligible employees are entitled to retirement benefits of 400 days of final salary upon attainment of the retirement age of 60.

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

	Group	
	2024 RM'000	2023 RM'000
Provision for employee benefits representing net liability	65	58
Analysed as:		
Later than 5 years	65	58
Analysed as:		
Non-current liabilities	65	58

Notes to the Financial Statements
(Cont'd)**19. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)**

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	
	2024 RM'000	2023 RM'000
Balance as at 1 July	58	53
Provision (Note 28)	8	2
Foreign exchange differences	(1)	3
Balance as at 30 June	65	58

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	
	2024 %	2023 %
Discount rate	7.55	7.30
Price inflation	2.97	2.97
Expected rate of salary increase	5.00	5.00

The discount rate is determined by reference to the Government Bond of Thailand yields with more than 10 years of maturity.

Significant assumption used in determining the provision for employee benefits is the discount rate. The sensitivity analysis of the significant assumption at the end of the reporting period, assuming that all other variables remain constant, is as follows:

Group	2024		2023	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
A 1% increase/decrease in discount rate will decrease/increase the provision for employee benefits	(4)	16	(2)	19

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.

Notes to the Financial Statements (Cont'd)

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables				
Third parties	106,347	92,333	–	–
Other payables				
Third parties	34,670	23,311	536	419
Accruals	10,533	9,584	62	63
Financial guarantee contracts	–	–	–*	–
	45,203	32,895	598	482
	151,550	125,228	598	482

* No financial guarantee contracts recognised.

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days) from date of invoice.
- (c) Included in other payables of the Group are advance payments received from customers against confirmed purchase orders amounting to RM6,000 (2023: RM4,000).
- (d) Included in other payables of the Group is an amount owing to a financial institution in respect of supply chain solutions obtained to facilitate efficient payment processing amounting to RM13,679,000 (2023: Nil). The Group is required to repay the financial institution no later than the expiry of the credit terms that are originally granted by the trade payables.
- (e) The Company provides financial guarantees to financial institutions for banking facilities obtained by the subsidiaries. Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- the amount of the loss allowance; and
 - the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

No financial guarantee contracts have been recognised at the end of the reporting period as there was no utilisation of any banking facilities by the subsidiaries during the financial year.

Notes to the Financial Statements
(Cont'd)**20. TRADE AND OTHER PAYABLES (CONT'D)**

(f) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	149,550	120,984	598	482
Brunei Dollar	4	–	–	–
Chinese Renminbi	4	–	–	–
Hong Kong Dollar	41	40	–	–
Singapore Dollar	39	49	–	–
Thailand Baht	369	577	–	–
United States Dollar	1,543	3,578	–	–
	151,550	125,228	598	482

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

	Group		Group	
	2024 Profit after tax RM'000	2023 Equity RM'000	2024 Profit after tax RM'000	2023 Equity RM'000
Effects of 5% changes to RM against foreign currencies				
United States Dollar				
- strengthen by 5%	(59)	–	(136)	–
- weaken by 5%	59	–	136	–
Thailand Baht				
- strengthen by 5%	(14)	–	(22)	–
- weaken by 5%	14	–	22	–

The exposure to foreign currency risk of other currencies is not presented as changes in exchange rates would not materially affect profit after tax and equity of the Group.

(g) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

21. BORROWING

	Group	
	2024 RM'000	2023 RM'000
Current liability		
Secured		
Bank overdraft	–	3,192

Notes to the Financial Statements (Cont'd)

21. BORROWING (CONT'D)

- (a) Borrowing was classified as financial liability measured at amortised cost.
- (b) Bank overdraft of the Group was secured by a corporate guarantee by the Company.
- (c) The weighted average effective interest rate of the borrowing as at the end of the reporting period was as follows:

	Group	
	2024 %	2023 %
Bank overdraft	–	6.25

- (d) The interest rate profile of the borrowing as at end of the reporting period was as follows:

	Group	
	2024 RM'000	2023 RM'000
Floating rate	–	3,192

Sensitivity analysis of interest rate for the floating rate instrument at the end of the reporting period was not presented as it was not material to the Group.

- (e) The table below summarises the maturity profile of the borrowing of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

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 2023				
Bank overdraft	3,392	–	–	3,392

- (f) The following table sets out the remaining maturity of the borrowing of the Group:

Group	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Total RM'000
30 June 2023				
Bank overdraft	3,192	–	–	3,192

- (g) Borrowing was denominated in USD. Sensitivity analysis of RM against foreign currency for borrowing at the end of the reporting period was not presented as it was not material to the Group.

Notes to the Financial Statements
(Cont'd)**22. CONTRACT LIABILITIES**

	Group	
	2024	2023
	RM'000	RM'000
Deferred revenue from customer loyalty points	584	7,829

(a) The contract liabilities represent the deferred revenue from customer loyalty points outstanding as at the end of the reporting period. Revenue from customer loyalty points is recognised at a point in time upon redemption or expiry of customer loyalty points. The validity of the customer loyalty points is six (6) months (2023: six (6) months to one (1) year).

(b) The reconciliation of movements in the carrying amount of the contract liabilities is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Balance as at 1 July	7,829	7,727
Additions during the financial year	1,772	1,927
Redemptions during the financial year	(2,263)	(1,734)
Reversal on expiry of loyalty points	(6,720)	(61)
Lapsed rebate vouchers	(34)	(30)
Balance as at 30 June	584	7,829

(c) The following are the amounts of revenue recognised from:

	Group	
	2024	2023
	RM'000	RM'000
Amounts included in contract liabilities at the beginning of the financial year	7,245	(102)

(d) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is as follow:

	Group	
	2024	2023
	RM'000	RM'000
Within 1 year	584	7,829

Notes to the Financial Statements (Cont'd)

23. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2024 RM'000	2023 RM'000
Contracted but not provided for:		
Capital expenditure in respect of property, plant and equipment	1,987	21,588
Capital expenditure in respect of intangible assets	3,027	1,862
	5,014	23,450

24. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Revenue from contracts with customers</i>				
Sale of goods	1,911,602	1,822,231	–	–
Revenue from customer loyalty points	7,245	(102)	–	–
<i>Other revenue</i>				
Dividend income	–	–	73,450	73,450
	1,918,847	1,822,129	73,450	73,450
Timing of revenue recognition:				
Transferred at a point in time	1,918,847	1,822,129	–	–

(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 coincide with the delivery of goods and acceptance by customers.

The contracts for the sale of goods provide customers with a right of return the goods within a specified period. No refund liability is recognised arising from the right of return as it is negligible.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Revenue from customer loyalty points

The Group's loyalty points programme allows customers to accumulate points that can be redeemed for products.

The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised at a point in time upon redemption or expiry of the customer loyalty points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a regular basis and any adjustments to the contract liability balance are charged against revenue.

Notes to the Financial Statements
(Cont'd)**24. REVENUE (CONT'D)**

- (c) Dividend income

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

- (d) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 4 to the financial statements, which has been presented based on geographical location and business units based on their products from which the sales transactions originated.

25. COST OF SALES

	Group	
	2024	2023
	RM'000	RM'000
Inventories sold	1,199,464	1,073,800
Carriage, freight and handling charges	17,078	21,640
Others	7,201	8,934
	1,223,743	1,104,374

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

26. FINANCE COSTS

	Group	
	2024	2023
	RM'000	RM'000
Interest expense on:		
- Bank overdraft	6	6
- Lease liabilities (Note 6)	24,095	20,190
- Others	201	194
Unwinding of discount on provision for restoration costs (Note 18)	1,126	1,355
	25,428	21,745

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
After charging:				
Auditors' remuneration:				
BDO PLT Malaysia				
- Statutory audit				
- current year	260	246	56	53
- Non-statutory audit	7	7	7	7
Other auditors				
- Statutory audit				
- current year	59	55	—	—
Bad debts written off	1	2	—	—
Deposits written off	11	—	—	—
Fair value loss on				
investment property	644	236	—	—
Loss on foreign exchange:				
- realised	141	261	—	—
- unrealised	21	566	—	554
Loss on reassessments and				
modifications of leases	1,222	94	—	—
Property, plant and				
equipment written off	79	124	—	—
Rental of equipment	211	243	—	—
Rental of premises	40,961	49,035	—	—
And crediting:				
Accretion of discount from				
deposits for leases	4,256	—	—	—
Gain on disposal of property,				
plant and equipment	375	23	—	—
Gain on foreign exchange:				
- realised	28	646	—	620
- unrealised	524	4,037	—	—
Interest income	19,754	16,845	477	320
Rental income from:				
- investment property	228	182	—	—
- premises	—	—	6,569	5,753
Royalty income	479	651	—	—

- (a) Interest income is recognised as it accrues, using the effective interest method.
- (b) Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.
- (c) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Notes to the Financial Statements
(Cont'd)**28. EMPLOYEE BENEFITS**

	Group	
	2024 RM'000	2023 RM'000
Salaries, wages, allowances and bonuses	201,354	161,116
Contributions to defined contribution plans	20,692	16,581
Unutilised leaves	(273)	(524)
Increase in provision for employee benefits (Note 19)	8	2
Other employee benefits	6,530	5,700
	228,311	182,875

- (a) Included in the employee benefits of the Group are Executive and Non-Executive Directors' remuneration amounting to RM9,095,000 (2023: RM6,695,000).
- (b) The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM142,000 (2023: RM127,000).

29. TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current year tax expense based on profit for the financial year:				
- Malaysian income tax	49,363	73,511	1,412	1,230
- Foreign income tax	338	699	-	-
	49,701	74,210	1,412	1,230
(Over)/Under provision in prior years:				
- Malaysian income tax	(90)	155	120	147
	49,611	74,365	1,532	1,377
Deferred tax (Note 11):				
- Relating to origination and reversal of temporary differences	516	(1,172)	-	-
- Under provision in prior years	16	7	-	-
	532	(1,165)	-	-
	50,143	73,200	1,532	1,377

Notes to the Financial Statements (Cont'd)

29. TAX EXPENSE (CONT'D)

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expenses for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.
- (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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	196,738	295,891	77,813	76,727
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	47,217	71,014	18,675	18,414
Tax effects in respect of:				
Different tax rates in foreign jurisdiction	2	(262)	–	–
Non-allowable expenses	3,723	2,934	365	591
Non-taxable income	(1,049)	(1,124)	(17,628)	(17,775)
Deferred tax assets not recognised	324	476	–	–
	50,217	73,038	1,412	1,230
(Over)/Under provision of tax expense in prior years	(90)	155	120	147
Under provision of deferred tax in prior years	16	7	–	–
	50,143	73,200	1,532	1,377

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

	Group					
	Before tax RM'000	2024 Tax effect RM'000	After tax RM'000	Before tax RM'000	2023 Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	87	–	87	2,007	–	2,007

Notes to the Financial Statements
(Cont'd)**30. DIVIDENDS**

	Group and Company			
	2024			2023
	Single tier dividend per ordinary share sen	Amount of dividend RM'000	Single tier dividend per ordinary share sen	Amount of dividend RM'000
First interim dividend	2.5	16,448	2.5	16,448
Second interim dividend	2.5	16,448	2.5	16,448
Third interim dividend	2.5	16,448	2.5	16,448
Fourth interim dividend	2.5	16,448	2.5	16,448
Special dividend	1.5	9,868	1.5	9,868
	11.5	75,660	11.5	75,660

The Directors do not recommend the payment of any final dividend for the financial year ended 30 June 2024.

On 27 August 2024, the Board of Directors declared a first interim single tier dividend of 2.50 sen per ordinary share of approximately RM16,448,000 in respect of the financial year ending 30 June 2025 and will be paid to the shareholders on 27 September 2024, whose names appear on the Record of Depositors of the Company at the close of business on 13 September 2024. The financial statements for the current financial year do not reflect this declared dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the next financial year.

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	
	2024	2023
Profit for the financial year (RM'000)	146,595	222,691
Weighted average number of ordinary shares in issue ('000)	657,910	657,910
Basic earnings per ordinary share (sen)	22.28	33.85

(b) Diluted

The diluted earnings per ordinary share for the current and previous financial years equal to basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

Notes to the Financial Statements (Cont'd)

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% (2023: 43.74%) and where a Director of the Company, namely Yong Pang Chaun has substantial financial interests. Yong Pang Chaun, Andrew Yong Tze How, Benjamin Yong Tze Jet and Christopher Yong Tze-Yao are also the Directors of YPCH.

(b) Significant related party transactions

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

	Company	
	2024	2023
	RM'000	RM'000
Transactions with subsidiaries:		
Dividend income received from:		
- Vincci	4,830	4,830
- Padini Corporation	29,220	29,220
- Seed	3,400	3,400
- Yee Fong Hung	36,000	36,000
Rental income received or receivable from:		
- Vincci	244	326
- Padini Corporation	426	470
- Seed	122	103
- Yee Fong Hung	3,982	3,233
- Mikihouse	46	44
- Padini Dot Com	1,749	1,577
Interest income received and receivable from:		
- Padini Cambodia	–	124

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 2024 is disclosed in Note 14 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 remuneration of Directors, who are the only key management personnel of the Group and of the Company, during the financial year were as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-executive Directors				
Fees	573	473	573	473
Short term employee benefits	34	30	34	30
	607	503	607	503
Executive Directors				
Short term employee benefits	7,736	5,703	–	–
Contributions to defined contribution plans	752	489	–	–
	8,488	6,192	–	–
	9,095	6,695	607	503

The estimated monetary value of benefits-in-kind provided to the Directors of the Group was RM142,000 (2023: RM127,000).

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. The overall strategy of the Group remains unchanged from the financial year ended 30 June 2023.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may, from time to time, adjust the dividend payment to shareholders, return capital to shareholders or issue new share, where necessary. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2024 and 30 June 2023.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt represents borrowing, lease liabilities, trade and other payables, less cash and bank balances. Total capital represents equity attributable to the owners of the parent.

Notes to the Financial Statements (Cont'd)

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

(a) Capital management (Cont'd)

The gearing ratio of the Group and of the Company at the end of the reporting period are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Borrowing	–	3,192	–	–
Lease liabilities owing to financial institutions	13,495	802	–	–
	13,495	3,994	–	–
Equity attributable to owners of the Company	1,111,110	1,040,088	415,187	414,566
Gearing ratio (%)	1.2%	0.4%	**	**

** *The gearing ratio for the Company is not presented as the Company does not have borrowing at the end of the reporting period.*

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2024.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk. Information on the management of the related exposures of these risks is detailed below.

(i) Credit risk

Credit risk is the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group.

Cash deposits, trade and other receivables and financial guarantees given to banks for banking facilities granted to subsidiaries may give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. The counterparties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Notes to the Financial Statements
(Cont'd)**33. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)**

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for walk-in customers at its outlets and certain export franchisees, where deposits in advance are normally required. The credit period is generally for a period of two (2) days, extending up to two (2) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk concentration profile has been disclosed in Note 13 to the financial statements.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements is represented by the outstanding banking facilities of the subsidiaries, if any, as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial positions of the subsidiaries deteriorate significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) the subsidiaries are unlikely to repay their credit obligations to the banks in full; or
- (b) the subsidiaries are continuously loss making and are having deficit shareholder's fund.

The Company determines the probability of default by subsidiaries on the guaranteed banking facilities using available internal information.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group and the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets as and when they fall due.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 6, 20 and 21 to the financial statements respectively.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group and of the Company relates to interest-earning cash at banks and fixed deposits with financial institutions and borrowing. 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 15 and 21 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 the reporting period, such foreign currencies balances amounted to RM76,749,000 (2023: RM66,835,000) for the Group.

The currency exposure profile and sensitivity analysis of foreign currency risk have been disclosed in Notes 13, 15, 20 and 21 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 Standard and Amendments to MFRSs of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

The adoption of the above Standard and Amendments to MFRSs 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 2024**

The following are Standards and Amendments to MFRSs of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 16 <i>Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to MFRSs, since the effects would only be observable for future financial years.

35. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 19 July 2024, Padini Dot Com Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement to acquire a freehold land and building for a total cash consideration of RM5,000,000.
- (b) On 27 August 2024, the Group announced to Bursa Securities the proposed issuance of up to 328,954,750 new ordinary shares in Padini ("Padini Shares") ("Bonus Shares") on the basis of one (1) Bonus Share for every two (2) existing Padini Shares held on the Entitlement Date ("Proposed Bonus Issue of Shares"). The Proposed Bonus Issue of Shares has not been completed as at the date of this report.

DIRECTORS' SHAREHOLDINGS AND INTERESTS

AS AT 20 SEPTEMBER 2024

SHAREHOLDINGS IN THE COMPANY

Director	No. of Shares Held			
	Indirect	%	Direct	%
YONG PANG CHAUN	291,344,890 *	44.28	9,691,960	1.47
ANDREW YONG TZE HOW	NIL	NIL	32,000	0.00 ^
BENJAMIN YONG TZE JET	NIL	NIL	269,400	0.04
CHRISTOPHER YONG TZE-YAO	NIL	NIL	60,000	0.01
CHEW VOON CHYN	5,000 ^^	0.00 ^	NIL	NIL
SUNG FONG FUI	46,000 ##	0.00 ^	NIL	NIL
TAN SHI WEN	NIL	NIL	NIL	NIL
TAN POH LING	NIL	NIL	NIL	NIL
DATUK LEE SAY TSHIN	NIL	NIL	NIL	NIL
TIMOTHY TAN HENG HAN	NIL	NIL	NIL	NIL
NG CHEE HOONG	NIL	NIL	NIL	NIL

In addition to the direct/indirect interests disclosed above, Yong Pang Chaun is deemed to be interested in shares of the subsidiary companies to the extent the Company has an interest by virtue of his interests in the shares of the Company.

* Indirect interests via his spouse, Chong Chin Lin's and sons' (Andrew Yong Tze How, Benjamin Yong Tze Jet and Christopher Yong Tze-Yao) shareholdings in the Company.

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

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

^ Negligible

OTHER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 20 SEPTEMBER 2024

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 : 6,479

DISTRIBUTION SCHEDULE - ORDINARY SHAREHOLDERS AS AT 20 SEPTEMBER 2024

No. of Holders	Holdings	Total Holdings	%
195	less than 100	3,623	0.00
2,570	100 - 1,000	1,491,512	0.23
2,816	1,001 - 10,000	10,782,606	1.64
705	10,001 - 100,000	20,613,076	3.13
191	100,001 - 32,895,474	272,195,261	41.37
2	32,895,475 and above	352,823,422	53.63
6,479	TOTAL	657,909,500	100.00

Analysis of Shareholdings (Cont'd)

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2024

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 #			–	269,400	–	0.04
	Christopher Yong Tze-Yao #			–	60,000	–	0.01
	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 *			–	269,400	–	0.04
	Christopher Yong Tze-Yao *			–	60,000	–	0.01
	Chong Chin Lin			3,219,990	–	0.49	–

Analysis of Shareholdings
(Cont'd)

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2024 (CONT'D)

No.	Name	Nationality	Registered Holder	No. of Shares held or beneficially interested in		Percentage of Shareholding	
				Direct	Indirect	Direct	Indirect
4	Employees Provident Fund Board	Incorporated in Malaysia	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	26,621,236	-	4.05	-
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident FD BD (NOMURA)	2,623,000	-	0.40	-
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident FD BD (ARIM)	1,992,100	-	0.30	-
			Citigroup Nominees (Tempatan) Sdn Bhd - EMPLOY PRVNT FD BD (CGS CIMB-SBL)	3,289,000	-	0.50	-
			Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board-IC	13,475,064	-	2.05	-
			Citigroup Nominees (Tempatan) Sdn Bhd - EMPLOY PRVNT FD BD (RHB ISLAMIC)JC	1,587,100	-	0.24	-
5	Kumpulan Wang Persaraan (Diperbadankan)	Incorporated in Malaysia	Kumpulan Wang Persaraan (Diperbadankan)	65,343,167	-	9.93	-
			Kumpulan Wang Persaraan (Diperbadankan) - Fund Managers	-	1,404,000	-	0.21

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 Chau'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 20 SEPTEMBER 2024

(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)	65,059,922	9.89
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	26,621,236	4.05
4	LEMBAGA TABUNG HAJI	23,908,500	3.63
5	THIAN MIN YANG	18,928,800	2.88
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	17,006,700	2.58
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	13,475,064	2.05
8	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	12,021,000	1.83
9	YONG PANG CHAUN	9,691,960	1.47
10	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	7,301,800	1.11
11	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	6,231,300	0.95
12	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,938,237	0.75
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	4,845,600	0.74
14	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,674,445	0.71
15	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	4,477,000	0.68
16	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	4,367,252	0.66
17	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	4,163,800	0.63
18	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	4,134,200	0.63
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	3,981,800	0.61

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 20 SEPTEMBER 2024 (CONT'D)

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

No.	Name	No. of Shares	%
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	3,289,000	0.50
21	CHONG CHIN LIN	3,219,990	0.49
22	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	3,179,000	0.48
23	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	3,119,000	0.47
24	CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	2,931,400	0.45
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK DANA UNGGUL	2,868,500	0.44
26	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAUZAN (5170)	2,628,900	0.40
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2,623,000	0.40
28	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	2,600,000	0.40
29	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	2,358,000	0.36
30	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	2,286,600	0.35
TOTAL		554,695,506	84.34

LIST OF GROUP PROPERTIES

AS AT 30 JUNE 2024

Location	Description / Existing Use	Land Area/ Built-up Area (sq. ft.)	Tenure	Approximate Age of Buildings	Net Carrying Amount @ 30.06.2024 (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	28.5 years	10,326,493
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	18 years	11,850,531
No. 15, Lot 112, Jalan U1/20 Glenmarie Industrial Park 40150 Shah Alam Date of Acquisition: 24 March 2006	4-storey Central Warehouse with 1 Basement Car park	75,003/ 180,070	Freehold	14 years	19,173,402
Lots LG 028 & 044 Lower Ground Floor Sungei Wang Plaza Kuala Lumpur Date of last revaluation: 1982	Retail shoplots: utilised by a subsidiary as a free- standing retail outlet	1455 / 1455	Freehold	51 years	9,165,000
Workshop B15 10 th 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	42 years	1,123,215
Workshop B14 10 th 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	42 years	4,950,808
Flat E, 5 th Floor, Block 5, Liberte, No. 833, Lai Chi Kok Road, Kowloon. Date of acquisition: 29 August 2014	Residential Apartment: Staff Hostel	698	Leasehold – 50 years expiring on 16.08.2049	21 years	3,804,116

PERFORMANCE DATA TABLE

The following performance data table was generated from the Bursa ESG Reporting Platform and included in the Report as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		
	MYR	220,709.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	19
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	85.96
Management Above 50	Percentage	14.04
Executive Under 30	Percentage	35.58
Executive Between 30-50	Percentage	57.26
Executive Above 50	Percentage	7.16
Non Executive Under 30	Percentage	67.50
Non Executive Between 30-50	Percentage	31.69
Non Executive Above 50	Percentage	0.81
Gender Group by Employee Category		
Management Male	Percentage	40.35
Management Female	Percentage	59.65
Executive Male	Percentage	28.22
Executive Female	Percentage	71.78
Non Executive Male	Percentage	42.76
Non Executive Female	Percentage	57.24
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	63.64
Female	Percentage	36.36
Under 30	Percentage	0.00
Between 30-50	Percentage	63.64
Above 50	Percentage	36.36
Bursa (Energy management)		
Bursa C4(a) Total energy consumption		
	Megawatt	832.41
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities		
	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")		
	Rate	2.03
Bursa C5(c) Number of employees trained on health and safety standards		
	Number	274
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	646
Executive	Hours	5,391
Non Executive	Hours	9,731
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.41
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Executive	Number	101
Non Executive	Number	714
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		

Internal assurance

External assurance

No assurance

(*)Restated

Performance Data Table (Cont'd)

Indicator	Measurement Unit	2024
Bursa C7(a) Proportion of spending on local suppliers	Percentage	10.40
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	10.720000

Remarks:

Section C2(b) - The data here refers to number of non-governmental organization (NGOS) benefited

Section C4(a) - Total energy consumption of Padini office and warehouse in Malaysia

Section C9(a) - Total volume of water usage of Padini office and warehouse in Malaysia

GRI CONTENT INDEX

This report has been prepared with reference to GRI standards for the period of 1 July 2023 - 30 June 2024.

GRI Standard	Section	Title	Page Number
GRI 2 General Disclosures 2021			
1. The Organisation and its reporting practices			
2-1	Organisational details	Who We Are	Corporate Profile Corporate information 10-11
2-2	Entities included in sustainability reporting	About This Report Sustainability Statement	About This Report Sustainability Approach 57
2-3	Reporting period, frequency and contact point	About This Report	About This Report 01-02
2-4	Restatement of information	No restatement of information reported from previous reporting period	
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Our Value Creation	Our Business Model Our Value Creation Model 44-46 48-51
2-7	Employees	Sustainability Statement	Our Employees 75-77
3. Governance			
2-9	Governance structure and composition	Governance Sustainability Statement	CGOS: Board of Directors Sustainability Governance 90-93 58
2-10	Nomination and selection of the highest governance body	Governance Sustainability Statement	CGOS: Board of Directors Sustainability Governance 90-93 58
2-11	Chair of the highest governance body	Governance Sustainability Statement	CGOS: Board of Directors Sustainability Governance 90-93 58
2-12	Role of the highest governance body in overseeing the management of impacts	Governance Sustainability Statement	CGOS: Board of Directors Sustainability Governance Stakeholder Engagement Materiality Assessment 90-93 58 59-60 62-64
2-13	Delegation of responsibility for managing impact	Governance Sustainability Statement	CGOS: Board of Directors Sustainability Governance 90-93 58
2-14	Role of highest governance body in sustainability reporting	Sustainability Statement	Sustainability Governance 58
2-15	Conflicts of interest	FY2024 Highlights & Leadership Governance Sustainability Statement	Profile of Directors CGOS: Board of Directors Sustainability Governance 24-31 90-93 58
2-16	Communication of critical concern	Governance	Communication with Stakeholders 102
2-17	Collective knowledge of the highest governance body	Governance	CGOS: Board of Directors 94-99
2-18	Evaluation knowledge of the highest governance body	Governance	CGOS: Board of Directors 90-93
2-19	Remuneration policies	Governance	CGOS: Board of Directors 100-101
2-20	Process to determine remuneration	Governance	CGOS: Board of Directors 90-101

GRI Context Index (Cont'd)

This report has been prepared with reference to GRI standards for the period of 1 July 2023 - 30 June 2024 (Cont'd).

GRI Standard		Section	Title	Page Number
GRI 2 General Disclosures 2021 (cont'd)				
4.	Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Sustainability Statement	Our Sustainability Approach Our Progress: Sustainability Journey	57 54-56
2-23	Policy commitments	Governance	CGOS: Board of Directors	90-93
2-24	Embedding policy commitments	Governance	CGOS: Board of Directors	90-93
2-25	Process to remediate negative impacts	Our Value Creation	Our Value Creation Model Our Business Risks and Mitigation	48-51 52-53
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Statement Governance	Our Progress: Sustainability Journey Stakeholders Engagement Communication with Stakeholders	54-56 59-60 102
2-27	Compliance with laws and regulations	Sustainability Statement	Regulatory Compliance	67
5.	Stake holder engagement			
2-29	Approach to stake holder engagement	Sustainability Statement	Stakeholder Engagement	59-60
GRI 3 Material Topics				
3-1	Process to determine material topics	Sustainability Statement	Materiality Assessment	62-64
3-2	List of material topics	Sustainability Statement	Materiality Assessment	62-64
3-3	Management of material topics	Sustainability Statement	Materiality Assessment	62-64
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Sustainability Statement	Group Performance Overview	65-66
GRI 202: Market Presence 2016				
202-2	Proportion of senior management hired from the local community	Sustainability Statement Governance	Our Employees CGOS: Board of Directors	76-77 91-93
GRI 204: Procurement Practice 2016				
204-1	Proportion of spending on local supplier	Our Value Creation	Our Progress: Sustainability Journey	56

GRI Context Index
(Cont'd)

This report has been prepared with reference to GRI standards for the period of 1 July 2023 - 30 June 2024 (Cont'd).

GRI Standard		Section	Title	Page Number
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Sustainability Statement Governance	Regulatory Compliance Report of the Audit and Risk Committee	67 104-107
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Statement Governance	Regulatory Compliance Anti-Corruption and Bribery Practices	67 110
GRI 302: Energy 2016				
302-1	Energy consumption with in the organisation	Sustainability Statement	Sustainable Operation	73-74
GRI 303: Water and Effluents 2018				
303-5	Water consumption	Sustainability Statement	Sustainable Product	69-71
GRI 305: Emissions 2016				
305-5	Reduction of GH Gemissions	Our Value Creation Sustainability Statement	Our Progress: Sustainability Journey Sustainable Operation	54-56 74
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	How we create value Sustainability Statement	Our Value Creation Model Our Employees	50 75-77
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement	Our Employees	75-86
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Sustainability Statement	Our Employees	78-81, 85
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Statement	Our Employees	85
403-3	Occupational health services	Sustainability Statement	Our Employees	85
403-5	Working training on occupational health and safety	Sustainability Statement	Our Employees	78-81
403-9	Work-related injuries	Sustainability Statement	Our Employees	85
GRI 404: Training and Education 2016				
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Statement	Our Employees	78-84, 86

GRI Context Index (Cont'd)

This report has been prepared with reference to GRI standards for the period of 1 July 2023 - 30 June 2024 (Cont'd).

GRI Standard		Section	Title	Page Number
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Sustainability Statement	Our Employees	75-77
405-2	Ratio of basic salary and remuneration of women to men	Sustainability Statement	Our Employees	75-77
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective action taken	Sustainability Statement	Our Employees	75-78
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainability Statement	Sustainable Procurement	68
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Statement	Our Community	87-88

* CGOS refer to Corporate Governance Overview Statement

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty Third Annual General Meeting (“43rd AGM”) of the Company will be held at Glenmarie Ballroom, Glenmarie Hotel & Golf Resort Malaysia, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 27 November 2024 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 2024 and the Reports of the Directors and Auditors thereon.
2. To approve payment of Directors’ fee of RM523,000 in respect of the financial year ending 30 June 2025. *(Ordinary Resolution 1)*
3. To approve the payment of Directors’ benefits (excluding Directors’ Fees) up to an amount of RM50,000 payable to the Independent Directors from 1 July 2024 until the next Annual General Meeting of the Company to be held in the year 2025. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who are retiring in accordance with Clause 103(1) of the Company’s Constitution:-
 - i) Mr Benjamin Yong Tze Jet *(Ordinary Resolution 3)*
 - ii) Ms Sung Fong Fui *(Ordinary Resolution 4)*
 - iii) Ms Tan Poh Ling *(Ordinary Resolution 5)*
5. To re-elect the following Director who is retiring in accordance with Clause 110 of the Company’s Constitution:-
 - i) Mr Ng Chee Hoong *(Ordinary Resolution 6)*
6. To re-appoint Messrs BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 7)*

Special Business

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

PROPOSED BONUS ISSUE OF UP TO 328,954,750 NEW ORDINARY SHARES OF PADINI (“PADINI SHARES” OR “SHARES”) (“BONUS SHARES”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING PADINI SHARES HELD ON THE ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED AT A LATER DATE (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”)

“That subject to the approvals being obtained from all the relevant regulatory authorities and/or parties (where applicable), including the approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, authority be and is given to the Board of Directors of the Company (“**Board**”) to issue up to 328,954,750 Bonus Shares in the share capital of the Company, on the basis of 1 Bonus Share for every 2 existing Padini Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date. *(Ordinary Resolution 8)*

And that the Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid Padini Shares at nil consideration, without any capitalisation from the Company’s reserves.

Notice of Annual General Meeting (Cont'd)

And that the Board be and is hereby authorised to deal with fractional entitlements arising from the Proposed Bonus Issue, if any, in such a manner as the Board may in its absolute discretion deem fit and expedient and in the best interest of the Company.

And that the Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing Padini Shares save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution, unless the Bonus Shares were allotted on or prior to the Entitlement Date of such dividends, rights, allotments and/ or any other forms of distribution.

And that the Board be and is hereby authorised to sign and execute all documents and to do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue.”

8. 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 43rd 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 20 November 2024. Only a depositor whose name appears on the Record of Depositors as at 20 November 2024 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
25 October 2024

Notes:

- (i) A member of the Company entitled to attend and vote at the above meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
- (ii) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy must be completed and deposited at the office of the Poll Administrator, Securities Services (Holdings) 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 Securities Services ePortal at website <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.

Notice of Annual General Meeting (Cont'd)

Notes:

- A. The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Companies Act 2016. Hence, this matter will not be put for voting.
- B. The benefits payable to the Directors (excluding Directors' Fees) comprises meeting allowances payable to the Independent Directors. The estimated meeting allowances payable to the Directors from 1 July 2024 until the next Annual General Meeting of the Company to be held in the year 2025, are calculated based on the number of scheduled meetings for Board of Directors, Board Committees and general meetings of the Company.

EXPLANATORY NOTE ON SPECIAL BUSINESS

1. Proposed Bonus Issue

Ordinary Resolution 8, if passed, will give authority to the Directors of the Company to issue up to 328,954,750 Bonus Shares in the share capital of the Company, on the basis of 1 Bonus Share for every 2 existing Padini Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board.

Further explanatory notes on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 25 October 2024.

STATEMENT ACCOMPANYING THE NOTICE OF THE 43RD 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 43rd AGM are set out in the Directors' Profile of the Company's 2024 Integrated Annual Report. No individual other than the retiring Directors are seeking election as Directors at the 43rd AGM.

The retiring Directors have been assessed by the Nominating and Remuneration Committee and the Board of Directors. The Directors recommended the retiring Directors for re-election at the 43rd AGM after considering their experience, integrity, competence, performance and commitment in discharging their roles as Directors of the Company.

Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at this AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for this AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to this AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"); (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure of the proxy(ies) and/or representative(s) personal data by the Company for the Purpose; and (iii) agrees that the member will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note : The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ADMINISTRATIVE DETAILS FOR THE 43RD ANNUAL GENERAL MEETING ("43RD AGM") OF PADINI HOLDINGS BERHAD TO BE HELD AT GLENMARIE BALLROOM, GLENMARIE HOTEL & GOLF RESORT MALAYSIA, NO 1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN ON WEDNESDAY, 27 NOVEMBER 2024 AT 10.00 AM.

PARKING

- Parking is complimentary at the open car park of Glenmarie Hotel & Golf Resort Malaysia.

REGISTRATION

- Registration will start at 8.30 am and will remain open until the Chairman of the Meeting announces that the registration will be closed to facilitate the commencement of the poll or such time as may be determined by the Chairman of the Meeting.
- Please read the signage placed around Glenmarie Ballroom as to where you should register yourself for the Meeting and join the queue accordingly.
- Please produce your original Identity Card (IC) or Passport (for foreigners) to the registration staff for verification. No photocopy of IC or Passport will be accepted. Please make sure you collect your IC or Passport thereafter.
- You will be given an identification wristband printed with passcode upon registration and will only be allowed to enter the meeting hall if you are wearing the identification wristband. Please retain the identification wristband for voting. There will be no replacement in the event you lose or misplace the identification wristband.
- You will also be given one (1) food coupon upon registration. This food coupon entitles you to a meal box at the Foyer of the meeting hall. Each shareholder/ proxy will be given ONE (1) coupon only. There will be no replacement in the event you lose or misplace the food coupon.
- No person will be allowed to register on behalf of another person even with the original IC or passport of that other person.
- The registration counter will only handle verification of identity and registration.

HELP DESK

- Please proceed to the Help Desk for any clarification or queries.
- The Help Desk will also handle revocation of proxy's appointment.

Administrative Guide for Shareholders (Cont'd)

PROXY

- A member entitled to attend and vote is entitled to appoint proxy/proxies, to attend and vote on his/her behalf. If you are unable to attend the 43rd AGM and wish to appoint a proxy to vote on your behalf, please submit your proxy form in accordance with the notes and instructions printed therein.
- If you wish to attend the 43rd AGM yourself, please do not submit any proxy form. You will not be allowed to attend the 43rd AGM together with a proxy appointed by you.
- If you wish to submit your Proxy Form by facsimile, please lodge the proxy form with the office of our Poll Administrator, Securities Services (Holdings) Sdn Bhd ("SSH") no later than 25 November 2024 at 10.00 a.m. The proxy appointment may also be lodged electronically via Securities Services ePortal at website <https://sshb.net.my> no later than 25 November 2024 at 10.00 a.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Notes of Proxy Form.
- If you have submitted your proxy form prior to the 43rd AGM and subsequently decided to attend the 43rd AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

CORPORATE MEMBER

- Any corporate member who wishes to appoint a representative instead of a proxy to attend the 43rd AGM should submit the original certificate of appointment under the seal of the corporation to the Office of the Poll Administrator at any time before the time appointed for holding the 43rd AGM or to the registration staff on the Meeting day for the Company's records.

VOTING AT THE MEETING

- The voting at the 43rd AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed SSH as Poll Administrator to conduct the poll by way of electronic voting (e voting) and a scrutineer has been appointed to verify the poll results.
- E-voting for each of the resolutions as set out in the Notice of 43rd AGM will take place only upon the conclusion of the deliberations of all the businesses to be transacted at the 43rd AGM. The registration for attendance will be closed, to facilitate commencement of the poll.
- Each shareholder/proxy will be directed to the e-voting kiosk for voting using laptop where he/she must produce the identification wristband issued to him/her during registration for the 43rd AGM.

GENERAL MEETING RECORD OF DEPOSITORS

- Only shareholders whose names appear in the General Meeting Record of Depositors as at 20 November 2024 shall be entitled to attend, speak and vote at the 43rd AGM or appoint a proxy(ies) on his/her behalf.

REFRESHMENT AND DOOR GIFT

- Coffee and tea will be served.
- No door gift will be given.

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PADINI HOLDINGS BERHAD

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

PROXY FORM

CDS Account No.	No. of Shares held	Tel No.

I/We, _____
(Full name in Block Letters and NRIC/Passport/Company No.)

of _____
(Address)

being a member(s) of PADINI HOLDINGS BERHAD, hereby appoint

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

and

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

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the Forty Third Annual General Meeting of the Company to be held at Glenmarie Ballroom, Glenmarie Hotel & Golf Resort Malaysia, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 27 November 2024 at 10:00 a.m. or at any adjournment thereof.

		FOR	AGAINST
Ordinary Resolution 1	Directors' Fee for the financial year ending 30 June 2025		
Ordinary Resolution 2	Directors' Benefits		
Ordinary Resolution 3	Re-election of Mr Benjamin Yong Tze Jet		
Ordinary Resolution 4	Re-election of Ms Sung Fong Fui		
Ordinary Resolution 5	Re-election of Ms Tan Poh Ling		
Ordinary Resolution 6	Re-election of Mr Ng Chee Hoong		
Ordinary Resolution 7	Re-appointment of Auditors		
Ordinary Resolution 8	Proposed Bonus Issue		

(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 _____ 2024

Signature of Member / Common Seal

Notes:

- (i) A member of the Company entitled to attend and vote at the above meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
- (ii) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy must be completed and deposited at the office of the Poll Administrator, Securities Services (Holdings) 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 Securities Services ePortal at website <https://sshshb.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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 25 October 2024.



Fold this flap for sealing

Then fold here

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

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Malaysia

AFFIX
STAMP

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corporate.padini.com

PADINI HOLDINGS BERHAD

Registration No: 197901005918 (50202-A)

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

T.+603.5021.0500 F.+603.7805.1066