

PADINI HOLDINGS BERHAD

(50202-A)

(Incorporated in Malaysia)

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Notice of Annual General Meeting

for the financial year ended 30 June 2002

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at No. 21, Lot 116, Jalan U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam on 20 December 2002 at 10:00 a.m. to transact the following business:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2002 and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To declare a Final Dividend of 5% less Malaysian Income Tax of 28%. (Resolution 2)
3. To approve payment of Directors' fee of RM60,000/- in respect of the year ended 30 June 2002. (Resolution 3)
4. To re-elect the following Directors retiring pursuant to Article 102(1) of the Company's Articles of Association:
 - (i) Dato' Zulkifli bin Abdul Rahman (Resolution 4)
 - (ii) Mr Yong Pang Chaun (Resolution 5)
 - (iii) Mdm Yong Lai Wah (Resolution 6)
5. To appoint Messrs Peter Chong & Co. as the Company's Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)

Special Business

6. To consider and if thought fit, to pass the following resolution :

Ordinary Resolution

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"That, subject to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital for the time being of the Company, and that the Directors be and are also empowered to obtain the approval of Kuala Lumpur Stock Exchange for the listing and quotation of the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 8)

7. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting to be held on 20 December 2002, a final dividend of 5%, less 28% income tax in respect of the financial year ended 30 June 2002 will be paid on 13 March 2003 to shareholders registered on the Register of Members and Records of Depositors at the close of business on 20 February 2003.

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

- (a) Shares transferred to the Depositor's securities account before 12:30 p.m. on 20 February 2003 in respect of ordinary transfers; and
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

Notice of Annual General Meeting *(cont'd)*

for the financial year ended 30 June 2002

BY ORDER OF THE BOARD

LIEW KHOON WAN (MACS 00103)

HO MUN YEE (MAICSA 0877877)

Company Secretaries

Selangor

27 November 2002

Notes:

- (i) A member of the Company entitled to attend and vote at this AGM, is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, under its Common Seal or under the hand of an officer or its attorney duly authorised.
- (iii) The instrument appointing a proxy must be completed and deposited at the registered office of the Company at No.21 Lot 116, Jalan U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, not less than forty eight (48) hours before the time appointed for the holding of the AGM or adjourned AGM (or in the case of a poll before the time appointed for the taking of the poll).

EXPLANATORY NOTE ON SPECIAL BUSINESS

1. Authority pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot ordinary shares in the Company up to and not exceeding in total 10 per centum (10%) of the issued capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoke or varied at a general meeting, will expire at the next Annual General Meeting.

Statement Accompanying the Notice

of Annual General Meeting

1. The Directors who are standing for re-election at the forthcoming Twenty-first Annual General Meeting are as follows :

- (a) Dato'Zulkifli bin Abdul Rahman
- (b) Mr Yong Pang Chaun
- (c) Mdm Yong Lai Wah

Further details of the above Directors are set out in the Profile of Directors on pages 14 to 16 of this Annual Report.

2. Details of attendance of Directors at Board Meetings

A total of six (6) Board Meetings were held during the financial year ended 30 June 2002. Details of attendance of Directors at the Board Meetings are as follows:

Name	Attendance
Datuk Dr. Abdullah bin Abdul Rahman	5 meetings
Yong Pang Chaun	6 meetings
Dato'Zulkifli bin Abdul Rahman	6 meetings
Chong Chin Lin	6 meetings
Chan Kwai Heng	6 meetings
Yong Lee Peng	4 meetings
Yong Lai Wah	5 meetings
Cheong Chung Yet	5 meetings
Sahid bin Mohamed Yasin	6 meetings

3. Date, Time and Place of General Meeting

Meeting	Date & Time	Place
20th Annual General Meeting	27 December 2001 @ 11:00 a.m.	No. 21 Lot 116, Jalan U1/20 Hicom Glenmarie Industrial Park 40000 Shah Alam

Corporate Information

for the financial year ended 30 June 2002

BOARD OF DIRECTORS

Datuk Dr. Abdullah bin Abdul Rahman	Chairman
Dato' Zulkifli bin Abdul Rahman	Director
Yong Pang Chaun	Managing Director
Chan Kwai Heng	Executive Director
Cheong Chung Yet	Executive Director
Chong Chin Lin	Executive Director
Yong Lee Peng	Executive Director
Yong Lai Wah	Executive Director
Sahid bin Mohamed Yasin	Director

Audit Committee

Dato' Zulkifli bin Abdul Rahman	Chairman (Independent Non-Executive Director)
Sahid bin Mohamed Yasin	Member (Independent Non-Executive Director)
Cheong Chung Yet	Member (Executive Director) - appointed on 14.12.2001
Chan Kwai Heng	Member (Executive Director) - resigned on 14.12.2001

COMPANY SECRETARIES

Ho Mun Yee (MAICSA 0877877)
Liew Khoo Wan (MACS 00103)

REGISTERED OFFICE

No. 21, Lot 116, Jalan U1/20
Hicom Glenmarie Industrial Park
40000 Shah Alam Selangor Darul Ehsan
Tel :03-78053535
Fax :03-78051066

SHARE REGISTRARS

PFA Registration Services Sdn Bhd
Level 13, Uptown 1, 1, Jalan SS21/58
Damansara Uptown, 47400 Petaling Jaya
Selangor Darul Ehsan
Tel :03-77254888
Fax :03-77222311

AUDITORS

Peter Chong & Co
Chartered Accountants
51, Changkat Bukit Bintang, 50200 Kuala Lumpur

Solicitors

Isharidah, Ho, Chong & Menon
Raslan Loong

Principal Bankers

United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur Stock Exchange

Corporate Structure

for the financial year ended 30 June 2002

PADINI HOLDINGS BERHAD (50202-A)

100%

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

100%

• **PADINI CORPORATION SDN. BHD.**
(22159-H)

99.69%

• **VINCCI LADIES' SPECIALTIES CENTRE SDN. BHD.**
(73404-H)

100%

• **SEED CORPORATION SDN. BHD.**
(194391-K)

100%

• **VINCCI HOLDINGS SDN. BHD.**
(97644-K)

100%

• **THE NEW WORLD GARMENT MANUFACTURERS SDN. BHD.**
(80490-U)

100%

• **YEE FONG HUNG (MALAYSIA) SENDIRIAN BERHAD**
(15011-U)

100%

• **PADINI DOT COM SDN. BHD.**
(510558-H)

Report of the Audit Committee

The Board of Directors of Padini Holdings Berhad is pleased to present the report of the Audit Committee of the Board for the financial year ended 30 June 2002.

The Audit Committee was established by a resolution of the Board on 23 October 1997.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the financial year ended 30 June 2002, the Committee held meetings on 28 August 2001, 25 October 2001, 30 November 2001, 27 February 2002 and 29 May 2002 respectively, a total of five (5) meetings.

	Composition of the Audit Committee	Attendance at the Committee Meetings held during the Financial Year ended 30 June 2002
Chairman	Dato'Zulkifli bin Abdul Rahman (Independent Non-Executive Director)	5 out of 5 meetings
Member	Sahid bin Mohamed Yasin (Independent Non-Executive Director)	5 out of 5 meetings
Member	Chan Kwai Heng (Executive Director)	3 out of 3 meetings
Member	Cheong Chung Yet (Executive Director)	2 out of 2 meetings

*Mr. Chan Kwai Heng resigned on 14 December 2001 and Mr. Cheong Chung Yet was appointed on the same day.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. COMPOSITION

- 1.1 The Company must appoint an Audit Committee from amongst its Directors which fulfils the following requirements:
- (a) the Audit Committee must be composed of no fewer than 3 members;
 - (b) a majority of the Audit Committee must be independent directors; and
 - (c) at least one member of the Audit Committee:
 - (i) must be a member of the Malaysian Institute of Accountants;
 - (ii) or if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

1.2 The Company must ensure that no alternate director is appointed as a member of the Audit Committee.

1.3 The members of an Audit Committee shall elect a Chairman from among their number who shall be an independent director.

2. WRITTEN TERMS OF REFERENCE

The Audit Committee must have written terms of reference which deal with its authority and duties.

3. FUNCTIONS

Without limiting the generality of paragraph 2 above, the Audit Committee shall, amongst others, discharge the following functions:

- 3.1 Review the following and report the same to the Board of Directors :
- (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;

3. FUNCTIONS *(cont'd)*

- (c) with the external auditor, his audit report;
- (d) the assistance given by the employees of the Company to the external auditor;
- (e) the adequacy of the scope, functions and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
- (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not the appropriate action is taken on the recommendations of the internal audit function;
- (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - i) changes in or implementation of major accounting policy changes;
 - ii) significant and unusual events; and
 - iii) compliance with accounting standards and other legal requirements;
- (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) any letter of resignation from the external auditors of the Company; and
- (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

3.2 Recommend the nomination of a person or persons as external auditors.

4. ATTENDANCE OF OTHER DIRECTORS AND EMPLOYEES

The Audit Committee may invite any Director who is not an Audit Committee member and any of the Company's employees to attend any particular Audit Committee meeting.

5. PROCEDURE

The Audit Committee may regulate its own procedure, in particular:

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

6. AUDIT COMMITTEE REPORT

6.1 The Company must ensure that its Board of Directors prepare an Audit Committee report at the end of each financial year that complies with subparagraphs 6.2 and 6.3 below.

6.2 The Audit Committee report must be clearly set out in the annual report of the Company.

6.3 The Audit Committee report shall include the following:

- (a) the composition of the Audit Committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
- (b) the terms of reference of the Audit Committee;
- (c) the number of Audit Committee meetings held during the financial year and details of attendance of each Audit Committee member;
- (d) a summary of the activities of the Audit Committee in the discharge of its functions and duties for that financial year of the Company ; and
- (e) the existence of an internal audit function or activity and where there is such a function or activity, a summary of the activities of the function or activity. Where such a function or activity does not exist, an explanation of the mechanisms that exist to enable the Audit Committee to discharge its functions effectively.

7. REPORTING OF BREACHES TO THE EXCHANGE

Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of these Requirements, it must promptly report such matter to the Exchange.

8. RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee wherever necessary and reasonable for the performance of its duties, shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

9. QUORUM OF THE AUDIT COMMITTEE

In order to form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be independent directors.

10. RETIREMENT AND RESIGNATION

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.10(1) of the Listing Requirements of Kuala Lumpur Stock Exchange, the Company must fill the vacancy within 3 months.

11. REVIEW OF THE AUDIT COMMITTEE

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.

12. SECRETARY

The Secretary to the Audit Committee shall be the Company Secretary.

A SUMMARY OF THE ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The activities of the Audit Committee during the financial year ended 30 June 2002 include the following:

- (i) reviewed the Group's year end audited financial statements presented by the external auditors and recommend the same to the Board for approval;
- (ii) reviewed the quarterly financial result announcements;
- (iii) reviewed the audit plan of internal and external auditors;
- (iv) reviewed related party transactions within the Group;
- (v) reviewed the risk assessment framework and reports submitted by the internal auditors and recommend the same to the Board for approval;
- (vi) reviewed the effectiveness of the Group's system of internal control;
- (vii) reviewed the Company's compliance with KLSE Listing Requirements, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements; and
- (viii) considered and recommended to the Board for approval the audit fees payable to internal and external auditors.

SUMMARY OF THE ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The internal audit function has been established to assist the Audit Committee in discharging its duties and responsibilities. Their role is to provide the Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures and the regulatory requirements of the relevant authorities.

Up till the date of this report, the Group's Internal Auditors, Corporate Outsourcing Professionals Sdn Bhd has besides conducting a corporate governance review, also completed internal audits on the following processes:

- Branding function
- Marketing function
- Merchandising function
- Human resource function
- Improvement and change management,

and has submitted their reports to the Audit Committee for further action. With the exception of the audit on Improvement and Change Management, the Audit Committee has responded to the comments and recommendations made by the internal auditors, and the internal auditors have in turn furnished the Audit Committee with the relevant reports.

The internal auditors has also submitted an audit plan for the financial years 2002 to 2006, which has been discussed with and approved by the Audit Committee at a meeting held on 28 October 2002.

WHERE THE INTERNAL AUDIT FUNCTION HAS BEEN OUTSOURCED

Where the internal audit function is outsourced, the Audit Committee shall also review the following and report the same to the Board of Directors:

- i) the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- ii) the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- iii) any appraisal or assessment of the performance of members of the internal audit function;
- iv) any appointment or termination of senior staff members of the internal audit function and to indicate its approval; and
- v) resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Padini Holdings Berhad and its subsidiary companies ("the Group") for the financial year ended 30 June 2002.

INDUSTRY TREND AND DEVELOPMENT

Current developments indicate that while niche marketing and customised offerings may become increasingly important issues in the competition for the minds and wallets of the consumers, success or failure in the retail industry will in all likelihood be decided by size.

The trend will be for shopping complexes, department stores and even boutiques to get larger. A greater variety of attractions and facilities will be offered, bigger budgets will be allotted for advertising and promotions programmes, Standard Stocking Units (SKUs) will be increased, more extensive distribution networks will be built, benefits for consumer loyalty programmes will get more attractive, etc.. In the years to come, size-related issues will probably determine the distinctive competencies for businesses operating in the retail industry. Strategic alliances, and tie-ups with international companies and brands are likely to become more widespread.

More than before, consumers will become more discerning in their demands, and the retailer which can perform beyond the expectations of its consumers will be able to better win over the consumers' loyalties. While marketing and branding will continue to be the competitive driving forces, the retailer who succeeds in touching the hearts of its consumers will be the one most likely to prevail.

Companies that can respond positively to the above challenges will gain tremendous benefits.

FINANCIAL RESULTS

For the financial year under review, the Group achieved a revenue of RM173.34 million, which represented an increase of 4.6% over the previous year's amount of RM165.71 million. Group profit before taxation rose by about 18%, from RM9.85 million achieved in the previous year to RM11.62 million for the current financial year. The improvement in revenue reflected the underlying strength of the Group's brands, and the improving state of the domestic economy. Profit after taxation attributable to the shareholders of RM6.06 million, however showed a decline of 10% when compared to the amount of RM6.74 million achieved during the previous financial year. This was mainly due to the non-availability of group tax relief for losses suffered by some of the Group's subsidiary companies.

DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 5% less 28% income tax for the financial year ended 30 June 2002 for approval by the shareholders at the forthcoming Annual General Meeting.

BUSINESS REVIEW

The Group's revenues were derived primarily from the sale of garments, shoes, fashion accessories and other finished goods through its own network of retail shops and through consignment counters located at major department stores. The products mentioned are sold under brand names owned by the Group.

Retailing

The retailing activities of the Group during the financial year under review were carried out by five of its subsidiary companies which among themselves managed all the brands of the Group.

Vincci Ladies Specialties Centre Sdn Bhd, the subsidiary that operated the Vincci stores retailing shoes, bags and fashion accessories came out tops again for the current year. It earned a pretax profit of RM10 million from a revenue of RM58.94 million.

In the garments segment, Padini Corporation Sdn Bhd with three brands, Padini, Padini Authentics and PDI was the best performer for the year, achieving a revenue of RM56.2 million and a pretax profit of RM4.2 million.

Next was Seed Corporation Sdn Bhd which earned a pretax profit of RM2.7 million from a revenue of RM43 million.

However, the above successes were somewhat diminished by the poor performances turned in by Mikihouse Children's Wear Sdn Bhd, which handled the Miki label, and by Yee Fong Hung (M) Sendirian Berhad, which handled the P& Co label. The two companies respectively suffered pretax losses of RM1.7 million and RM1.2 million.

Manufacturing

The abundance of low-cost imports from China continued to adversely impact upon the Group's manufacturing operations.

Following the cessation of its garment production activities in the previous financial year, The New World Garment Manufacturers Sdn Bhd also discontinued its shoe manufacturing operations during the current financial year, and as a result, had therefore ceased all its manufacturing operations. For the year under review, it had suffered a pretax loss of RM1.7 million.

As for its other manufacturing subsidiary, Vincici Holdings Sdn Bhd, manufacturing operations are currently being scaled down. For the year under review, the subsidiary had suffered a loss of RM613,000.

Franchise Operations

Throughout the financial year under review, the Group had received numerous applications for its Vincici franchise, but due to the unsuitability of the locations for the proposed franchise stores, the Group had not awarded any additional Vincici franchises.

Considering the relative success of the Vincici franchise programme, the Group has also initiated steps to create a franchise programme for its PDI label. Barring unforeseen circumstances, this new programme is expected to be operational some time in the year 2003.

At the time of this statement, one other Vincici franchise store has been slated to open soon in Kota Bharu.

Other s

Where the cafe operations were concerned, no other cafes has been added to the three operating since November 2001. Since the cafes are meant to act as a strategic complement to the branding activities surrounding the Seed name, expanding the number of cafes will be akin to increasing the advertising and promotions spending on the brand. For the time being however, the Group wishes to assess first of all, the impact that the cafe operations have had on the creation of value for the Seed brand name.

Expansion into the regional markets of ASEAN and East Asia is still minimal. While the Group has been supplying its products to Singapore, Thailand and Taiwan, the scale of such business remains small.

PROFIT GUARANTEE

For the financial year under review, the Group has met the revised warranted profits of RM4,100,000.00 as contained in the Proposed Revision of the Terms and Conditions of the Stakeholder Agreement in respect of Profit Guarantee dated 15 December 1997, approved by the Securities Commission vide its letter dated 15 June 1999, and announced to the Kuala Lumpur Stock Exchange on 22 June 1999.

On 1 November 2002, an announcement has been made to the Kuala Lumpur Stock Exchange to announce the fulfilment of the above-mentioned Profit Guarantee, and that all parties to the above Stakeholder Agreement have been discharged from their respective obligations thereunder.

VARIANCE IN FINANCIAL RESULTS

For the Proposed Revision of the Terms and Conditions of the Stakeholder Agreement in respect of Profit Guarantee dated 15 December 1997, approved by the Securities Commission vide its letter dated 15 June 1999, and announced to the Kuala Lumpur Stock Exchange on 22 June 1999, the profit before taxation for the financial year under review was projected at RM7.02 million, whereas the actual profit before tax achieved for the same period was at RM11.62 million. This large variance was due mainly to the actual revenue having exceeded the projected revenue by some 83.7%. The projection was made in October 1998, and based on the economic situation then, the amount was realistic for that time. However, the rapid turnaround achieved by the economy following the recession, together with the simultaneous expansion in the Group's retail network had caused actual revenue to exceed projected revenue very significantly.

Chairman's Statement *(cont'd)*

VARIANCE IN FINANCIAL RESULTS *(cont'd)*

The difference between the projected profit before tax of RM7.02 million and the actual profit before tax of RM11.62 million is reconciled as follows:

	RM
Profit before tax - projected	7,024,000
Add : excess of actual gross profit over projected gross profit	38,157,000
Add : excess of actual other incomes over projected other incomes	411,000
Add : share of results of associated company	30,000
Less : excess of actual operating expenses over projected operating expenses	33,997,000
Profit before tax - actual	11,625,000

CORPORATE DEVELOPMENTS

During the year under review, the Company had also successfully completed a proposal, announced to the Kuala Lumpur Stock Exchange on the 25 of September 2001, for a bonus issue for 10,000,000 new ordinary shares of RM1.00 each in the Company. These new ordinary shares had been successfully listed and quoted on the Kuala Lumpur Stock Exchange with effect from 9.00 a.m., 21 February 2002. Consequently, the Company's issued and paid-up capital was increased to RM40,000,000, consisting of 40,000,000 ordinary shares of RM1.00 each.

On 30 May 2002, a proposal to establish an employees' share options scheme of up to 10% of the Company's issued and paid-up capital was also announced to the Kuala Lumpur Stock Exchange. The scheme became effective on 3 October 2002 for a period of 5 years.

FUTURE OUTLOOK

Globalisation, trade liberalisation under the aegis of the WTO and AFTA, the continuing rise of China, and the issue of security and terrorism, will ultimately, in one way or another, impact upon the performance of the Group, whether or not it expands its business beyond the borders of Malaysia.

While the Government and MIER have both predicted respectable growth rates for the overall economy in 2002 and 2003, these projections are nearly always qualified by assumptions of both domestic and international stability. For the Group therefore, any predictions about future performance and profitability must also be viewed with an eye on the possible threats to stability and growth.

The Group has so far been successful in its strategies; having weathered two recessions admirably, and stayed both competitive and profitable inspite of the many changes that have taken place in the retail industry, especially during the last five years. The Group's success has been its focus on the job on hand, and its ability to not only respond quickly to changing environments, but also to act before being overwhelmed by imminent changes.

Overall, the Group is confident of its future and that its brands and business will continue to perform; while it cannot be promised that revenues and profits will continue to grow year after year, the Group is confident that going into the next year, its operations are still poised to be profitable for all its stakeholders.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend my deepest appreciation to the management and the employees of the Group for their contributions towards the achievements of the Group during the current year. The team spirit, dedication and diligence exhibited are highly commendable. In addition, our business associates, bankers and financiers, advisors and shareholders also have our sincere thanks for their continued support of and confidence in the Group.

Datuk Dr Abdullah bin Abdul Rahman

Chairman

1 November 2002

Profile of Directors *(cont'd)*

for the financial year ended 30 June 2002

Datuk Dr. Abdullah bin Abdul Rahman *(Chairman of the Board, Independent Non-Executive Director)*

Aged 57 of Malaysian nationality, he was first appointed to the Board as Director and Chairman on 14 February 2001.

From graduating with a BA (Hons) University of Malaya degree in 1968, he went on to complete both his Master of Public Administration, and Ph.D. in Public Administration, in 1976 and 1979 respectively from the University of Southern California.

He also obtained a Certificate in Methodology of Training, University of Manchester (U.K.) in 1972, and a Certificate in Advanced Management, INSEAD, Fontainebleau, France in 1993.

After graduation in 1968, he had joined the State Secretariat, Negri Sembilan as the Assistant State Secretary, and was there until 1971 when he joined INTAN (the National Institute of Public Administration Malaysia) as a lecturer in Management Science. By the time he left INTAN in 1985, he was already the Deputy Director (Academic). His next position was as Director of the Special Task Force on Productivity with the Prime Minister's Department, and he was to remain with the Prime Minister's Department until 1996, by which time he was already serving as the Director General of MAMPU (the Malaysian Administrative, Modernisation and Planning Unit).

Upon leaving the Prime Minister's Department, he was with the Ministry of Health for a brief stint before joining the Government as Special Assistant to the Ketua Setiausaha Malaysia, where he served from 1998 to July of 2000, whereupon he retired upon reaching the retirement age of 55 years.

From July 2000 to July 2001, he was also Professor at the Faculty of Economics and Administration, University of Malaya.

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 5 out of the 6 meetings of the Board of Directors.

Dato' Zulkifli bin Abdul Rahman *(Chairman of the Audit Committee, Independent Non-Executive Director)*

Aged 66 of Malaysian nationality, he was first appointed to the Board on 11 March 1994.

Completing his secondary education and sitting for the Cambridge Overseas certificate in 1955, he joined the then Federation of Malaya Police as a Probationary Inspector in 1956. During his long career with the Royal Malaysian Police, he had served in various departments and had been posted to numerous places in the country. Besides that, he also attended training courses in police related and security matters. When he retired in November 1991, he had already assumed the post of Director of Special Branch, and his service in that post was further extended to December 1993. From 1995 to 1998, he served as Chairman of the Koperasi Polis Berhad.

Other than his directorship with Padini Holdings Berhad, he is also a director in the following public companies.:

1. Rashid Hussain Bhd, and
2. Nikko Electronics Bhd

For the financial year under review, he has attended all 6 meetings of the Board of Directors.

Yong Pang Chaun *(Managing Director)*

Aged 51 of Malaysian nationality, he was first appointed to the Board on 26 March 1992.

An entrepreneur with more than 26 years 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 present 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 6 meetings of the Board of Directors.

Profile of Directors *(cont'd)*

for the financial year ended 30 June 2002

Chan Kwai Heng *(Executive Director)*

Aged 50 of Singaporean nationality, he was first appointed to the Board on 29 March 1995.

He graduated from the University of Malaya in 1975 with a Bachelor of Economics (Hons) degree, majoring in Accounts. Shortly after graduation and up till 1977, he got an attachment as a temporary teacher in SMJK Chi Wen, a school in Bahau, Negri Sembilan. Subsequently, he did some lecturing on a part-time basis at colleges such as the Systematic Business Training Centre and TL Management Centre Sdn Bhd in Kuala Lumpur. Before joining the Group in 1988 as an executive director in one of its subsidiary companies, he had also worked from 1983 to 1987 in Vincci Department Store Sdn Bhd as a Manager in charge of finance and administration.

Currently he oversees the finance and administrative activities 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 6 meetings of the Board of Directors.

Cheong Chung Yet *(Executive Director, member of the Audit Committee)*

Aged 36 of Malaysian nationality, he was first appointed to the Board on 14 July 2000.

He obtained his Bachelor of Accountancy (Hons) degree from the University of Malaya in 1989.

In 1990, he joined Isetan of Japan Sdn Bhd as a Sales and Merchandising Executive before being promoted to the position of Manager of the Merchandising Department in 1995. While serving in Isetan, he had gained extensive experience in retail management (operations and merchandising), and in concept planning, branding and merchandising for in-house labels.

He joined the Group in January 1996 as the head of the Group's merchandising and retail departments, a position which he still assumes.

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 5 out of the 6 meetings of the Board of Directors.

Chong Chin Lin *(Executive Director)*

Aged 49 of Malaysian nationality, she was first appointed to the Board on 29 March 1995.

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

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

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

For the financial year under review, she has attended all 6 meetings of the Board of Directors.

Yong Lai Wah *(Executive Director)*

Aged 52 of Malaysian nationality, she was initially appointed to the Board on 26 March 1992 as a Non-Executive Director; she was subsequently redesignated as an Executive Director when she was given the task of overseeing the cafe operations of Seed Corporation Sdn Bhd, a subsidiary of the Group.

After completing her secondary education, she worked for several years in floor operations in a department store before joining a manufacturing venture started by her family. This manufacturing facility which was started in 1971, produced ladies fashion wear for both wholesale and retail. Since then she has been actively involved with the manufacturing and selling of fashion wear to local department stores and boutiques.

Her numerous years experience in managing not only manufacturing operations, but also in the wholesale of fashion wear have given her considerable business experience and exposure.

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 5 out of the 6 meetings of the Board of Directors.

Profile of Directors *(cont'd)*

for the financial year ended 30 June 2002

Yong Lee Peng *(Executive Director)*

Aged 45 of Malaysian nationality, she was first appointed to the Board on 29 March 1995.

Upon completing her secondary education, she joined the family's retail business, which was involved in the sale of ladies fashion wear and accessories. From 1983 to 1986, she was a ladies shoe merchandiser at a local department store, and with the experience gained, joined one of the group's subsidiary as a merchandiser for ladies shoes and fashion accessories in 1986.

Since then she has taken charge of the merchandising function for women's shoes, bags and fashion accessories for Vincci Ladies Specialties Sdn Bhd, one of the Group's subsidiary that markets products under the Vincci label.

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 4 out of the 6 meetings of the Board of Directors.

Sahid bin Mohamed Yasin *(Member of the Audit Committee, Independent Non-Executive Director)*

Aged 53 of Malaysian nationality, he was first appointed to the Board on 23 October 1997.

He graduated from the University of Malaya in 1973 with a Bachelor of Arts degree in Economics and obtained a post-graduate Diploma in Management Science from the National Institute of Public Administration in 1976.

Upon graduation in 1973, he got a post as Assistant Secretary in the Prime Minister's Department and served until 1977. Subsequently, he joined Malaysia British Assurance Sdn Bhd in a senior management position and was there for 5 years. In 1983, he joined Hicom Holdings Bhd as Manager for Corporate Services before leaving in 1995 to concentrate on his private businesses.

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 6 meetings of the Board of Directors.

Other Information

- (i) **Family Relationship**
Except for Yong Pang Chaun who is the spouse of Chong Chin Lin, and who is also the brother of Yong Lai Wah and Yong Lee Peng, none of the Directors above has any family relationship with one another. Yong Pang Chaun, Chong Chin Lin, Yong Lai Wah and Yong Lee Peng are the major shareholders in the Company by virtue of their interest in Yong Pang Chaun Holdings Sdn Bhd which owns a 45% interest in the shares in the Company.
- (ii) **Conflict of Interest**
None of the Directors mentioned has any conflict of interest with the Company.
- (iii) **Convictions for offences**
None of the Directors mentioned has been convicted for offences within the past ten years other than for traffic offences.
- (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.

Corporate Governance Statement

for the financial year ended 30 June 2002

By nature of its size and operations, Padini Holdings Berhad has taken a more liberal approach in complying with the Best Practices set out in Part 2 of the Malaysian Code on Corporate Governance (the "Code") as most of its practices and communications are informal and not documented. The statement below reports on how the group has applied the Principles as set out in Part 1 of the Code and the extent of its compliance with Part 2 of the Code.

1. The Board

(a) Composition of the Board

The Company is led and managed by a Board of Directors with vast experience in business, commercial, finance and legal matters. A brief description on the background of each director is presented on pages 14 to 16 of the Annual Report.

The Board currently has nine members, six Executive Directors including the Managing Director and three Non-Executive Directors (of whom all are independent). This is in compliance with Paragraph 15.02 of the Revised Kuala Lumpur Stock Exchange (KLSE) Listing Requirements, which require that one third or two, whichever is higher, of the total number of Directors to be Independent Directors.

All the Directors have given their undertaking to comply with the KLSE Listing Requirements and the Independent Directors have confirmed their independence in writing.

The positions of the Chairman and the Managing Director are held by two individuals. There is a clear division of responsibilities between the Chairman and the Managing Director which will ensure a balance of power and authority. The Chairman is responsible for the orderly conduct and working of the Board. The Managing Director is responsible for the running of the business, implementation of the policies and strategies adopted by the Board. The Board, together with the Managing Director, develop position descriptions for the Board and for the Managing Director, involving definition of the limits to Management's responsibilities. The Board approved and developed with the Managing Director, the corporate objectives, which the Managing Director is responsible for meeting.

The Independent Directors also have the necessary skill and experience to bring an independent judgment to bear on the issues of strategy, performance, resources including key appointments and standards of conduct.

The Board does not consider it necessary to nominate a senior independent Non-Executive Director to whom concerns may be conveyed. All members of the Board have demonstrated that they are always available to members and stakeholders. All issues can be openly discussed during Board meetings. The Company is not marred with conflicts and controversies and also has not received any notice of matters of concern from stakeholders since its listing.

The Independent Directors are independent of Management and majority shareholders. They provide independent views and judgement and also to safeguard the interests of parties such as minority shareholders.

No individual or group of individuals dominate the Board's decision making and the number of directors fairly reflect the investment of the shareholders.

In accordance with the Company's Articles of Association, Directors retire from office at least once in every three years and offer themselves for re-election.

(b) Board Meetings

The Board meets regularly. 6 Board Meetings were held during the financial year ended 30 June 2002. During these meetings, the Board deliberated and reviewed on matters such as investment of capital projects, financial results of the Group and any other matters that affect the Group's business.

Corporate Governance Statement *(cont'd)*

for the financial year ended 30 June 2002

1. The Board *(cont'd)*

(b) Board Meetings *(cont'd)*

The number of Board Meetings held during the financial year ended 30 June 2002 and the attendance of the meetings are as follows:

Directors	Meetings Attended by the Directors / Total Number of Meetings held during the Financial Year Ended 30 June 2002*	% of Attendance
Executive Directors		
Mr. Yong Pang Chaun	6/6	100
Mr. Chan Kwai Heng	6/6	100
Mr. Cheong Chung Yet	5/6	83
Mdm. Chong Chin Lin	6/6	100
Mdm. Yong Lee Peng	4/6	67
Mdm. Yong Lai Wah	5/6	83
Non-Executive Directors		
Datuk Dr. Abdullah bin Abdul Rahman	5/6	83
Dato' Zulkifli bin Abdul Rahman	6/6	100
En. Sahid bin Mohamed Yasin	6/6	100

Notes

- * The meetings were held on 28 August 2001, 25 October 2001, 30 November 2001, 27 February 2002, 9 May 2002 and 29 May 2002 respectively.

(c) Restriction on Directorships

The number of Directorships held by the Directors are as stated on pages 14 to 16 of the Annual Report.

(d) Responsibilities and Supply of Information

The Board assumes the following responsibilities:

- reviewing and adopting a strategic plan for the Group;
- overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- reviewing senior management and Board remuneration;
- developing and implementing an investor relations programme or shareholder communications policy for the Group; and
- reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

All Directors receive appropriate and timely information which includes an agenda prior to Board meetings to enable the Board to discharge its duties. The Board receives information that is not just historical and bottom line and financial-oriented but information that is beyond assessing the quantitative performance of the Group and looks at other performance factors such as customer satisfaction, product and service quality, market share, market reaction, environmental performance and so on for dealing with any item on the agenda to facilitate informed decision-making and thus enable the Board to discharge its duties effectively.

All Directors have full access to information pertaining to all matters for the purpose of making decisions.

There is an agreed procedure for the Directors to take independent professional advice at the Company's expense, if necessary. All Directors have access to the advice and services of the Company Secretary who ensures compliance with statutory obligations, Listing Rules of the KLSE or other regulatory requirements. The removal of the Company Secretary shall be a matter for the Board as a whole.

(e) Directors' Remuneration

(i) Remuneration procedure

The Board has decided that there is no need for a Remuneration Committee to be set up presently. The remuneration of each Director, are determined by the Board as a whole through their contracts of employment. The Directors do not participate in discussion and decision of their own remuneration.

Corporate Governance Statement *(cont'd)*

for the financial year ended 30 June 2002

1. The Board *(cont'd)*

(e) Directors' Remuneration *(cont'd)*

(ii) Remuneration Package

The details of the remuneration of the Directors of the Company are as follows:

	Salaries RM	Fees & Allowances RM	Bonuses RM	Benefits in Kind RM	Statutory Contributions RM	Total RM
Executive Directors	1,596,000	-	105,000	79,900	204,120	1,985,020
Non-Executive Directors	-	60,000	-	-	-	60,000

The number of Directors whose remuneration falls into the following bands are as follows:

RANGE OF REMUNERATION	Executive Directors	Non-Executive Directors
Below RM50,000	-	-
RM50,001 - RM100,000	-	1
RM100,001 - RM150,000	1	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	-	-
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	5	-

(f) Directors' Training

Every Director of the Company undergoes continuous training to equip himself to effectively discharge his duties as a Director and for that purpose he ensures that he attends such training programmes as prescribed by the KLSE from time to time. The Company provides briefings for new recruits to the Board, to ensure they have a comprehensive understanding on the operations of the Group and the Company.

All Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by the KLSE.

2. The Board Committees

The Audit Committee assists the Board in discharging its duties and responsibilities. They have the authority to examine a particular issue and report back to the Board with a recommendation. Please refer to pages 7 to 10 for the Audit Committee report.

3. Relationship with Shareholders

The Board maintained an effective communications policy that enables both the Board and the management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodate feedback from shareholders, which are factored into the Group's business decision.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:

- the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements, and information on Audit Committee and Board of Directors;
- various announcements made to the KLSE, which includes announcement on quarterly results;
- the Company's website at <http://www.padini.com>

Corporate Governance Statement *(cont'd)*

for the financial year ended 30 June 2002

3. Relationship with Shareholders *(cont'd)*

The Annual General Meeting serves as an important means for shareholders communication. Notice of the Annual General Meeting and Annual Reports are sent to shareholders twenty one days prior to the meeting. At each Annual General Meeting, the Board presents the performance and progress of the Group and provide shareholders with the opportunity to raise questions pertaining to the Group. The Chairman and the Board will respond to the questions raised by the shareholders during the Annual General Meeting.

The Board has ensured each item of special business included in the notice of meeting will be accompanied by an explanatory statement on the effects of the proposed resolution.

4. Accountability and Audit

(a) Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's position and prospect through the annual financial statements and quarterly announcements of results to the KLSE. The Directors are responsible to ensure the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Relationship with the External Auditors

The Board established formal and transparent arrangements for maintaining an appropriate relationship with the Group's external auditors.

(c) Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A statement on Internal Control of the Group is set out on page 21 of the Annual Report.

5. Directors' Responsibility Statement

The Directors are responsible in the preparation of financial statements prepared for each financial year to give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flow of the Group and the Company for the financial year then ended.

In ensuring the preparation of these financial statements, the Directors have:

- (i) adopted suitable accounting policies and apply them consistently;
- (ii) made judgements and estimates that are reasonable and prudent;
- (iii) ensured that applicable approved accounting standards have been complied with.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards.

Statement of Internal Control

for the financial year ended 30 June 2002

The Board acknowledges its responsibilities for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. The internal control systems covers not only financial controls but operational and compliance controls, and risk management. The internal control system is designed to enable the Group to manage the risk of failure to achieve business objectives. The internal control system is designed to provide reasonable and not absolute assurance against material misstatement and losses.

With effect from 1 October 2001, the Board has, upon the recommendation of the Audit Committee, outsourced the internal audit function to an external party. The internal auditors are to assist and advise the Audit Committee on all matters relating to the Internal Audit Function.

There is an on-going process to identify, assess and manage risk. This process is subject to continuous improvement and has been in place for the financial year under review. The Board and management are responsible for the ongoing identification, evaluation and managing of significant risks. A risk assessment exercise was conducted on 20 December 2001 to identify principle risks and to ensure an appropriate risk assessment and evaluation framework and activities in the Group. A 5-year audit plan was then developed based on the risk assessment results to review the effectiveness of the Group's system of internal control and significant risks including financial, operational and compliance risks. The audit plan which was reviewed and approved by the Board and the Audit Committee covers all key business processes in the Group.

During the financial year, internal audit work was performed on areas identified in the audit plan. The internal audit reports encompassing findings and recommendations were then presented to the Audit Committee. Actions were agreed in response to the recommendations and these were followed up to ensure satisfactory control is maintained. The audit plan shall be reviewed annually as the risks the Group faces are continually changing as the Group's objectives, the organisation and the environment in which it operates are continuously evolving.

In reviewing the adequacy and integrity of the system of internal control and management information systems, the Board has taken account of the results of all the work carried out to audit and review the activities of the Group.

The Board believes that the Group complies with the requirements of the Malaysian Code of Corporate Governance relating to internal controls as set out in December 2000 guidance "Statement of Internal Control : Guidance for Directors of Public Listed Companies".

The current system of internal control has the following key elements :

- Periodic Board meetings to review financial performance and business operations of the Group;
- An organisation structure with defined reporting lines;
- Preparation of annual budgets. Performance against budget is monitored and variances are investigated;
- Existence of Code of Conduct and Ethics guidelines.

Responsibility Statement In Respect

of the Annual Audited Financial Statements

Under Paragraph 15.27 (a) of the Listing Requirements of The Kuala Lumpur Stock Exchange, the Board of Directors is required to issue a statement explaining its responsibility for the preparation of the Annual Audited Financial Statement.

As required by the Companies Act, 1965, the Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiary companies as at the end of the financial year, and of the results and cash flow for the financial year then ended.

In preparing the financial statements of Padini Holdings Berhad for the financial year ended 30 June 2002, the Directors have considered the following :

- adherence to applicable approved accounting standards in Malaysia
- adoption and consistent application of appropriate accounting policies
- making of judgements and estimates that are appropriate and reasonable

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

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.

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for the financial year ended 30 June 2002

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Directors' Report

for the financial year ended 30 June 2002

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and the Company for the financial year ended 30 June 2002.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of management consultancy services to its subsidiary companies.

The principal activities of the subsidiary companies are as disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except for cessation of shoe manufacturing activity by one of the subsidiary company during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	6,064,217	1,419,209

DIVIDEND

A final dividend of 5 sen per share on 30,000,000 ordinary shares, less income tax at 28%, amounting to RM1,080,000 proposed in respect of the previous financial year and dealt with in the previous Directors' Report was paid by the Company during the current financial year.

The Directors recommend a final dividend of 5 sen per share on the enlarged 40,000,000 ordinary shares, less income tax at 28%, amounting to RM1,440,000 in respect of the current financial year, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company was increased from RM30,000,000 to RM40,000,000 via a bonus issue of 10,000,000 new ordinary shares on the basis of one new ordinary share for every three existing shares held by the capitalisation of the entire share premium account of RM4,179,261 and RM5,820,739 being a part of the retained profits.

The new shares rank pari-passu with the then existing ordinary shares except that they will not be entitled to any dividends declared, rights, allotments or other distributions the entitlement date of which is prior to the date of allotment of the Bonus Shares and/or final dividends declared for the financial year ended 30 June 2001.

The Company has not issued any debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Directors' Report *(cont'd)*

for the financial year ended 30 June 2002

DIRECTORS IN OFFICE

The following Directors served on the Board of the Company since the date of the last report:

Datuk Dr Abdullah bin Abdul Rahman

Yong Pang Chaun

Dato' Zulkifli bin Abdul Rahman

Yong Lai Wah

Yong Lee Peng

Chong Chin Lin

Chan Kwai Heng

Sahid bin Mohamed Yasin

Cheong Chung Yet

In accordance with the Company's Articles of Association, Dato' Zulkifli bin Abdul Rahman, Mr. Yong Pang Chaun and Mdm. Yong Lai Wah retire by rotation, at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company and related corporations were as follows:

The Company	Balance at 1.7.2001	Number of ordinary shares of RM1.00 each			Balance at 30.6.2002
		Bought	Bonus issue	Sold	
Direct interest					
Cheong Chung Yet	8,000	-	2,666	-	10,666
Chong Chin Lin	-	6,000	-	-	6,000
Indirect interest by virtue of shares held by a company in which the Directors have interests					
Yong Pang Chaun	13,500,002	-	4,500,177	-	18,000,179
Yong Lai Wah	13,500,002	-	4,500,177	-	18,000,179
Yong Lee Peng	13,500,002	-	4,500,177	-	18,000,179
Chong Chin Lin	13,500,002	-	4,500,177	-	18,000,179

Subsidiary company

Vincci Ladies' Specialties Centre Sdn. Bhd.

Direct interest

Yong Lai Wah	5,000	-	-	-	5,000
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In addition to the indirect interest disclosed above, Messrs. Yong Pang Chaun, Yong Lai Wah, Yong Lee Peng and Chong Chin Lin are deemed to be interested in shares of the subsidiary companies to the extent the Company has an interest by virtue of their interests in shares of the Company.

No other Directors in office at the end of the financial year held or dealt in shares of the Company and related corporations during the financial year.

Directors' Report *(cont'd)*

for the financial year ended 30 June 2002

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for benefits which may arise from related party transactions as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and the Company were made out, the Directors took reasonable steps:

- a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- b) which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading; or
- c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

- a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year to secure the liability of any other person; or
- b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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

In the opinion of the Directors,

- a) the results of the Group's and the Company's operations during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and the Company for the financial year in which this report is made other than those disclosed in Note 31 to the financial statements.

Directors' Report *(cont'd)*

for the financial year ended 30 June 2002

AUDITORS

The auditors, Messrs. Peter Chong & Co., Chartered Accountants, have indicated their willingness to accept re-appointment.

On behalf of the Board

DATUK DR ABDULLAH BIN ABDUL RAHMAN

YONG PANG CHAUN

Kuala Lumpur

28 October 2002

Statement by Directors

for the financial year ended 30 June 2002

We, **DATUK DR ABDULLAH BIN ABDUL RAHMAN** and **YONG PANG CHAUN**, being two of the Directors of **PADINI HOLDINGS BERHAD** state that, in the opinion of the Directors, the financial statements set out on pages 30 to 58 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965, so as to give a true and fair view of the state of affairs of the Group and the Company at 30 June 2002 and of the results and cash flow of the Group and the Company for the financial year ended on that date.

On behalf of the Board

DATUK DR ABDULLAH BIN ABDUL RAHMAN

YONG PANG CHAUN

Kuala Lumpur

28 October 2002

Statutory Declaration

of PADINI HOLDINGS BERHAD

I, **CHAN KWAI HENG**, being the Director primarily responsible for the financial management of **PADINI HOLDINGS BERHAD** do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 30 to 58 are 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 **CHAN KWAI HENG** at)
KUALA LUMPUR in the **FEDERAL**)
TERRITOR Y this 28 day of October 2002)

Before me

Report of the Auditors to the Members

of PADINI HOLDINGS BERHAD

We have audited the financial statements set out on pages 30 to 58 of **PADINI HOLDINGS BERHAD** for the financial year ended 30 June 2002. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 30 June 2002 and of the results and cash flow of the Group and of the Company for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company.
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by its subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under section 174(3) of the Companies Act, 1965.

Peter Chong & Co.

No AF 0165

Chartered Accountants

Peter Chong Ton Nen

No 394/03/04/J/PH

Partner of the Firm

28 October 2002

Report of the Auditors to the Members

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Consolidated Balance Sheet

for the financial year ended 30 June 2002

	Note	2002 RM	2001 RM
PROPERTY , PLANT AND EQUIPMENT	3	28,941,034	27,306,283
INVESTMENT IN AN ASSOCIATED COMPANY	5	582,140	-
INVESTMENT	6	214,334	187,510
INTANGIBLEASSET	7	151,830	60,134
CURRENT ASSETS			
Inventories	8	31,966,343	39,876,561
Receivables	9	18,167,801	18,947,523
Tax asset	10	1,756,611	2,477,671
Deposit, cash and bank balances	11	13,723,415	9,053,429
		65,614,170	70,355,184
CURRENT LIABILITIES			
Payables	12	10,204,444	13,241,635
Borrowings	13	7,355,474	9,447,937
Tax liability	10	2,135,044	3,706,581
		19,694,962	26,396,153
NET CURRENT ASSETS		45,919,208	43,959,031
		75,808,546	71,512,958
FINANCED BY :			
SHARE CAPITAL	14	40,000,000	30,000,000
RESERVES	15	35,098,362	40,114,145
SHAREHOLDERS' FUND		75,098,362	70,114,145
MINORITY INTEREST		211,203	205,822
LONG TERM AND DEFERRED LIABILITIES			
BORROWINGS	13	180,835	700,221
DEFERRED TAXATION	16	318,146	492,770
		75,808,546	71,512,958

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

Consolidated Income Statement

for the financial year ended 30 June 2002

	Note	2002 RM	2001 RM
REVENUE	17	173,340,723	165,712,181
COST OF SALES		(96,060,078)	(98,966,758)
GROSS PROFIT		77,280,645	66,745,423
OTHER OPERATING INCOME		568,478	477,370
		77,849,123	67,222,793
DISTRIBUTION COSTS		(46,279,098)	(40,403,705)
ADMINISTRATION EXPENSES		(18,890,352)	(15,788,791)
PROFIT FROM OPERATIONS	18	12,679,673	11,030,297
FINANCE COSTS	20	(1,090,398)	(1,178,174)
SHARE OF RESULTS OF ASSOCIATED COMPANY		30,415	-
PROFIT BEFORE TAXATION		11,619,690	9,852,123
TAXATION			
- Group		(5,526,157)	(3,092,819)
- Share of taxation in associated company		(8,275)	-
	10	(5,534,432)	(3,092,819)
PROFIT AFTER TAXATION BUT BEFORE MINORITY INTEREST		6,085,258	6,759,304
MINORITY INTEREST		(21,041)	(16,636)
NET PROFIT FOR THE FINANCIAL YEAR		6,064,217	6,742,668
EARNINGS PER SHARE (SEN)	21	15.2	16.9
DIVIDEND PER SHARE (SEN)	22	5.0	5.0

consolidated income statement

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

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2002

	Note	Share capital RM	Share premium RM	Retained profits RM	Total RM
At 1 July 2000		30,000,000	4,179,261	29,192,216	63,371,477
Net profit for the financial year		-	-	6,742,668	6,742,668
At 30 June/1 July 2001		30,000,000	4,179,261	35,934,884	70,114,145
Bonus issue	30(c)	10,000,000	(4,179,261)	(5,820,739)	-
Dividend	22	-	-	(1,080,000)	(1,080,000)
Net profit for the financial year		-	-	6,064,217	6,064,217
At 30 June 2002		40,000,000	-	35,098,362	75,098,362

Consolidated Cash Flow Statement

for the financial year ended 30 June 2002

	Note	2002 RM	2001 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		11,619,690	9,852,123
Adjustments for:			
Allowance for doubtful debts no longer required		(1,477,419)	-
Allowance for doubtful debts		-	780,810
Amortisation of intangible assets		37,814	255
Bad debts written off		1,681,544	-
Depreciation of property, plant and equipment		6,536,560	5,097,162
Expenditure carried forward written off		-	10,342
Gain on disposal of property, plant and equipment		(55,357)	(22,948)
Interest expenses		971,689	1,043,975
Interest income		(1,734)	(7,825)
Share of results of associated company		(30,415)	-
Operating profit before working capital changes		19,282,372	16,753,894
Inventories		7,910,218	(571,271)
Receivables		575,597	(3,442,031)
Payables		(3,037,191)	(2,653,392)
Cash generated from operations		24,730,996	10,087,200
Dividend paid		(1,080,000)	(1,080,000)
Interest paid		(971,689)	(1,043,975)
Tax paid	10	(6,551,258)	(4,591,180)
Net cash generated from operating activities		16,128,049	3,372,045
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to intangible asset		(129,510)	(59,560)
Investment in an associated company		(560,000)	-
Purchase of investment		(26,824)	(30,060)
Interest received		1,734	7,825
Proceeds from disposal of property, plant and equipment		112,761	147,168
Purchase of property, plant and equipment	23	(8,228,715)	(7,342,674)
Net cash used in investing activities		(8,830,554)	(7,277,301)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid to minority interest		(15,660)	(8,640)
Changes to short term borrowings		(2,856,308)	386,287
Repayment of hire purchase and finance lease obligations		(884,077)	(1,095,293)
Net cash used in financing activities		(3,756,045)	(717,646)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,541,450	(4,622,902)
CASH AND CASH EQUIVALENT BROUGHT FORWARD		3,327,600	7,950,502
CASH AND CASH EQUIVALENTS CARRIED FORWARD	25	6,869,050	3,327,600

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

Balance Sheet

as at 30 June 2002

	Note	2002 RM	2001 RM
PROPERTY , PLANT AND EQUIPMENT	3	8,160,291	8,534,156
INVESTMENT IN SUBSIDIARY COMPANIES	4	52,255,971	50,899,839
INVESTMENT IN AN ASSOCIATED COMPANY	5	560,000	-
CURRENT ASSETS			
Receivables	9	12,770,937	9,499,156
Tax asset	10	1,130,469	1,346,427
Deposit, cash and bank balances	11	259,777	38,159
		14,161,183	10,883,742
CURRENT LIABILITIES			
Payables	12	352,080	326,214
NET CURRENT ASSETS		13,809,103	10,557,528
		74,785,365	69,991,523
FINANCED BY :			
SHARE CAPITAL	14	40,000,000	30,000,000
RESERVES	15	34,731,365	39,937,523
SHAREHOLDERS' FUND		74,731,365	69,937,523
DEFERRED TAXATION	16	54,000	54,000
		74,785,365	69,991,523

Income Statement

for the financial year ended 30 June 2002

	Note	2002 RM	2001 RM
REVENUE	17	11,045,150	9,800,600
COST OF SALES		-	-
GROSS PROFIT		11,045,150	9,800,600
OTHER OPERATING INCOME		772,988	1,045,899
		11,818,138	10,846,499
ADMINISTRATION EXPENSES		(7,108,835)	(3,063,070)
PROFIT FROM OPERATIONS	18	4,709,303	7,783,429
FINANCE COSTS	20	(1,094)	(1,037)
PROFIT BEFORE TAXATION		4,708,209	7,782,392
TAXATION	10	(3,289,000)	(2,367,000)
NET PROFIT FOR THE FINANCIAL YEAR		1,419,209	5,415,392

income statement

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

Statement of Changes in Equity

for the financial year ended 30 June 2002

	Note	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
At 1 July 2000		30,000,000	4,179,261	2,634,083	3,287,776	40,101,120
Net gain not recognised in the income statement						
- surplus on revaluation of investment in subsidiary companies		-	-	24,421,011	-	24,421,011
Net profit for the financial year		-	-	-	5,415,392	5,415,392
						29,836,403
At 30 June/1 July 2001		30,000,000	4,179,261	27,055,094	8,703,168	69,937,523
Bonus issue	30(c)	10,000,000	(4,179,261)	-	(5,820,739)	-
Dividend	22	-	-	-	(1,080,000)	(1,080,000)
Net gain not recognised in the income statement surplus						
- on revaluation of investment in subsidiary companies		-	-	4,454,633	-	4,454,633
Net profit for the financial year		-	-	-	1,419,209	1,419,209
						5,873,842
		40,000,000	-	31,509,727	3,221,638	74,731,365

Cash Flow Statement

for the financial year ended 30 June 2002

	Note	2002 RM	2001 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		4,708,209	7,782,392
Adjustments for:			
Depreciation of property, plant and equipment		478,266	597,444
Impairment loss on investment in subsidiary companies		5,998,499	-
Dividend income		(10,975,150)	(9,520,600)
Interest expenses		-	245
Operating profit/(loss) before working capital changes		209,824	(1,140,519)
Receivables		(5,950,819)	(4,108,955)
Payables		25,866	(6,615)
Cash used in operations		(5,715,129)	(5,256,089)
Dividend paid		(1,080,000)	(1,080,000)
Interest paid		-	(245)
Tax paid	10	(3,073,042)	(2,665,768)
Net cash used in operating activities		(9,868,171)	(9,002,102)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend received		10,975,150	9,520,600
Investment in an associated company		(560,000)	-
Purchase of property, plant and equipment	23	(104,401)	(527,344)
Subscription of shares in subsidiary companies	24	(220,960)	-
Net cash generated from investing activities		10,089,789	8,993,256
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of hire purchase obligation		-	(1,080)
Net cash used in financing activities		-	(1,080)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		221,618	(9,926)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		38,159	48,085
CASH AND CASH EQUIVALENTS CARRIED FORWARD	25	259,777	38,159

The above cash flow statement is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

- 30 June 2002

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are as disclosed in Note 4 to the financial statements.

The number of employees of the Group and the Company (including executive directors) at the end of the financial year were 1,967 (2001: 1,557) and 2 (2001: 22) respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Second Board of the Kuala Lumpur Stock Exchange.

The address of the registered office and the principal place of business is at No. 21, Lot 116, Jalan U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan.

The Board has authorised the issuance of the financial statements on 28 October 2002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements, in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965, requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

2.2 Basis of consolidation

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Unless otherwise indicated, the Group is deemed to have power to exercise control over the financial and operating policies of subsidiary companies if the Company owns, directly or indirectly through its subsidiary companies, more than one half of the voting power.

The consolidated financial statements include the financial statements of the Company and subsidiary companies made up to the end of the financial year.

Subsidiary companies are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill on consolidation.

Minority interest is measured at the minorities' shares of the net results of operations and the net assets of subsidiary company concerned.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.3 Associated company

Investment in associated company is accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are enterprises in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated company but not control over those policies.

Equity accounting involves recognising in the income statement of the Group's share of the results of associated company for the period. The Group's investment in associated company is carried in the balance sheet at an amount that reflects its share of the net assets of the associated company and includes goodwill on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Where audited financial statements of the associated company is not co-terminous with those of the Group, the share of results is based on the unaudited management financial statements made up to the financial year end of the Group.

Goodwill on acquisition of associated company is amortised over its estimated useful lives or a period of 20 years, whichever is shorter.

The carrying amount of goodwill is reviewed annually and written down to account for impairment where necessary.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated company to ensure consistency of accounting policies with the Group.

2.4 Investment

Investment in subsidiary companies, associated company and other non current investment are shown at cost or at valuation and are adjusted for impairment where the diminution in value is not temporary.

Investment in subsidiary companies are revalued at 5-year interval with additional revaluation in the intervening years where the carrying values of the revalued investment differ materially from the underlying net tangible assets' values of the subsidiary companies.

Where investment in subsidiary companies are stated at valuation, the net increase in the aggregate amount arising from the revaluation is credited to a revaluation reserve account as revaluation surplus. Net decrease in the aggregate amount arising from the revaluation will be charged to the revaluation reserve account. To the extent that a net decrease in aggregate amount is not supported by any previous revaluation surplus, the net decrease is charged to the income statement.

On disposal of an investment and revalued investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement. Any amount in revaluation reserve relating to that revalued investment is transferred to retained profits.

2.5 Intangible asset

Trademarks

All expenses incurred in connection with the trademarks have been deferred and amortised over its estimated useful lives or a period of 5 years, whichever is shorter.

The carrying amount of intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Property, plant and equipment

All property, plant and equipment are stated at cost or valuation less accumulated depreciation. An item is recognised as property, plant and equipment when it is probable that future economic benefits associated with the property, plant and equipment will flow to the Group.

Surplus arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

The land and buildings have not been revalued since the date of the revaluation exercise as stated in Note 3. The Directors have adopted the transitional provision as allowed by Malaysian Accounting Standards Board. The Group has retained the previous revaluation subject to the continuing application of current depreciation policy.

Freehold land is not depreciated. All other property, plant and equipment are depreciated on a straight line basis to write off the carrying amount of each asset to their respective residual value over the following estimated useful lives:

	Number of years
Leasehold land	78 - 84
Buildings	50
Plant and machinery	5
Motor vehicles	5
Furniture and fixtures, office equipment and others	4 - 5

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out method. The cost of raw material comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of production overheads.

Net realisable value is determined based on estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

2.8 Trade receivables

Trade receivables are carried at anticipated realisable value. All known bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the period end.

2.9 Leases

Finance lease

Assets acquired under finance lease agreements that give rights approximating ownership are capitalised in the balance sheet, as if they had been purchased outright. Outstanding obligations due under the lease agreements after deducting finance expenses are included as liabilities in the financial statements. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

These assets are depreciated in accordance with the depreciation policy of the Group.

Hire purchase transactions which have the similar criteria with the finance lease are accounted for as finance lease.

Operating Lease

Assets acquired under operating lease agreements that all the risks and benefits of ownership are retained by the lessor are classified as operating lease. Payments made under operating lease are charged to the income statement on a straight line basis over the period of the lease.

Notes to the Financial Statements

- 30 June 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Leases (cont'd)

Operating Lease (cont'd)

When the operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.10 Deferred taxation

Deferred taxation is provided using the liability method on all timing differences between accounting income and taxable income, except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.

Deferred tax benefits are recognised only if there is a reasonable expectation of their realisation in the foreseeable future.

2.11 Revenue recognition

Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and it is probable that the economic benefits associated with the transaction will flow to the Group.

Rendering of management and consultancy services

Revenue from rendering of services is measured at the fair value of the consideration receivable and is recognised in the income statement when it is probable that economic benefits associated with the transaction will flow to the Group.

Other revenues

- Rental income - on an accrual basis in accordance with the substance of the relevant agreement unless collectibility is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.
- Royalty income - on an accrual basis in accordance with the substance of the relevant agreement.

2.12 Foreign currencies

Foreign currency transactions are accounted for at exchange rates ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing rates used in translation of foreign currency amount are as follows:

Foreign currency	2002	2001
1 Hongkong Dollar	RM0.4823	RM0.4921
1 US Dollar	RM3.8000	RM3.8000
1 Singapore Dollar	RM2.1300	RM2.0640

2.13 Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings in the period in which they are declared.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investment that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

2.15 Comparative figures

The comparative figures were extended to comply with additional disclosure requirements of the applicable approved accounting standards in Malaysia that are applicable for the financial year ended 30 June 2002.

These notes form part of the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM	Long term leasehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fixtures RM	Office equipment RM	Others RM	Total RM
Net carrying amounts as at 1 July 2001								
Additions	8,604,152	4,452,189	169,278	1,677,572	9,275,809	2,082,313	1,044,970	27,306,283
Disposals	-	-	780	81,662	6,786,488	720,469	639,316	8,228,715
Depreciation charge	(127,443)	(75,217)	(5,442)	-	(51,765)	(197)	-	(57,404)
			(83,412)	(485,505)	(4,533,247)	(812,117)	(419,619)	(6,536,560)
Net carrying amounts as at 30 June 2002	8,476,709	4,376,972	81,204	1,273,729	11,477,285	1,990,468	1,264,667	28,941,034
As at 30 June 2002								
Cost	7,927,683	4,312,515	1,299,505	3,296,697	32,694,458	5,070,987	4,318,086	58,919,931
Valuation	1,164,000	750,000	-	-	-	-	-	1,914,000
Accumulated depreciation	(614,974)	(685,543)	(1,218,301)	(2,022,968)	(21,217,173)	(3,080,519)	(3,053,419)	(31,892,897)
Net carrying amounts	8,476,709	4,376,972	81,204	1,273,729	11,477,285	1,990,468	1,264,667	28,941,034
As at 30 June 2001								
Cost	7,927,683	4,312,515	1,516,100	3,247,631	25,907,970	4,361,127	3,678,770	50,951,796
Valuation	1,164,000	750,000	-	-	-	-	-	1,914,000
Accumulated depreciation	(487,531)	(610,326)	(1,346,822)	(1,570,059)	(16,632,161)	(2,278,814)	(2,633,800)	(25,559,513)
Net carrying amounts	8,604,152	4,452,189	169,278	1,677,572	9,275,809	2,082,313	1,044,970	27,306,283

These notes form part of the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Freehold land and buildings RM	Motor vehicles RM	Furniture and fixtures RM	Office equipment RM	Others RM	Total RM
Net carrying amounts as at 1 July 2001	7,626,392	20,497	253,312	482,137	151,818	8,534,156
Additions	-	-	36,898	67,503	-	104,401
Depreciation charge	(104,163)	(20,497)	(113,199)	(202,589)	(37,818)	(478,266)
Net carrying amounts as at 30 June 2002	7,522,229	-	177,011	347,051	114,000	8,160,291
As at 30 June 2002						
Cost	7,927,683	368,161	1,197,803	1,114,766	359,779	10,968,192
Accumulated depreciation	(405,454)	(368,161)	(1,020,792)	(767,715)	(245,779)	(2,807,901)
Net carrying amounts	7,522,229	-	177,011	347,051	114,000	8,160,291
As at 30 June 2001						
Cost	7,927,683	368,161	1,160,905	1,047,263	359,779	10,863,791
Accumulated depreciation	(301,291)	(347,664)	(907,593)	(565,126)	(207,961)	(2,329,635)
Net carrying amounts	7,626,392	20,497	253,312	482,137	151,818	8,534,156

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in the net carrying amounts of property, plant and equipment are:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
(i) Land and buildings held at valuation less accumulated depreciation, had these assets been carried at cost less accumulated depreciation:				
- freehold buildings	1,598,713	1,633,339	-	-
- leasehold land and building	286,344	293,328	-	-
	359,817	366,154	-	-
	646,161	659,482	-	-

The freehold buildings and leasehold land and building were valued by independent professional valuers based on the open market value method in 1982.

(ii) Assets pledged as securities for banking facilities				
- freehold land and buildings	8,476,709	8,604,152	7,522,229	7,626,392
- leasehold land and buildings	3,732,739	4,452,189	-	-
	12,209,448	13,056,341	7,522,229	7,626,392
(iii) Assets held under hire purchase instalment plan				
- motor vehicles	344,981	522,903	-	-
- plant and machinery	35,273	46,713	-	-
- furniture and fixtures	23,369	30,765	-	-
	403,623	600,381	-	-
(iv) Assets held under finance lease				
- motor vehicles	-	40,927	-	-
- furniture and fixtures	1,494,196	2,227,987	-	-
	1,494,196	2,268,914	-	-
(v) Title deeds to the following land and buildings have yet to be issued by the relevant authority				
- freehold land and buildings	8,476,709	8,604,152	7,522,229	7,626,392
- leasehold land and buildings	3,732,739	3,796,610	-	-
	12,209,448	12,400,762	7,522,229	7,626,392

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2002 RM	2001 RM
Unquoted shares		
At valuation	60,858,626	54,406,875
Less: Accumulated impairment loss	(8,602,655)	(3,507,036)
	52,255,971	50,899,839

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

All subsidiary companies are incorporated in Malaysia. Details of the subsidiary companies are as follows:

Subsidiary companies of the Company	Gross equity interest		Principal activities
	2002 %	2001 %	
The New World Garment Manufacturers Sdn. Bhd.	100	100	Ceased manufacturing of shoes during the financial year.
Vincci Holdings Sdn. Bhd.	100	100	Manufacturer of garments.
Yee Fong Hung (Malaysia) Sendirian Berhad	100	100	Dealers of garments and ancillary products.
Padini Corporation Sdn. Bhd.	100	100	Dealers of garments.
Seed Corporation Sdn. Bhd.	100	100	Dealers of garments and ancillary products.
Mikihouse Children's Wear Sdn. Bhd.	100	100	Dealers of children's garments and accessories.
Vincci Ladies' Specialties Centre Sdn. Bhd.	99.69	99.69	Dealers of ladies' shoes and accessories.
Padini Dot Com Sdn. Bhd.	100	100	On-line shopping.

5. INVESTMENT IN AN ASSOCIATED COMPANY

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
At cost				
Unquoted shares	560,000	-	560,000	-
Share of post acquisition profit	22,140	-	-	-
	582,140	-	560,000	-
Represented by:				
Share of net assets	598,519	-	-	-
Negative goodwill on acquisition	(16,379)	-	-	-
	582,140	-	-	-

Included in share of post acquisition profits is amortisation of negative goodwill of RM862.

The associated Company is incorporated in Malaysia. Details of the associated company are:

Name of associated company	Gross equity interest		Principal activities
	2002 %	2001 %	
Cassardi Corporation Sdn. Bhd.	40	-	Manufacturer of garments.

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

6. INVESTMENT

	Group	
At cost	2002 RM	2001 RM
Unquoted shares in Singapore	30,000	30,000
Quoted shares in Malaysia	60,584	33,760
Club membership	123,750	123,750
	<hr/> 214,334	<hr/> 187,510
Market value of quoted shares	<hr/> 33,310	<hr/> 9,156

7. INTANGIBLE ASSET

Group	Trademarks RM
Net carrying amounts as at 1 July 2001	60,134
Additions	129,510
Amortisation charge	(37,814)
Net carrying amounts as at 30 June 2002	<hr/> 151,830
As at 30 June 2002	
Cost	206,658
Accumulated amortisation	(54,828)
Net carrying amounts	<hr/> 151,830
As at 30 June 2001	
Cost	77,148
Accumulated amortisation	(17,014)
Net carrying amounts	<hr/> 60,134

8. INVENTORIES

	Group	
At cost	2002 RM	2001 RM
Raw materials	3,026,114	3,527,693
Work-in-progress	-	371,606
Completed garments, shoes and accessories	28,940,229	35,977,262
	<hr/> 31,966,343	<hr/> 39,876,561

Notes to the Financial Statements (cont'd)

- 30 June 2002

9. RECEIVABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Trade receivables	12,002,957	13,881,695	90,110	90,000
Allowance for doubtful debts	-	(1,477,419)	-	-
	12,002,957	12,404,276	90,110	90,000
Other receivables and prepayments	511,296	1,810,674	15,942	593,059
Deposits	5,443,845	4,732,573	24,949	11,246
Due from subsidiary companies - non-trade	-	-	12,639,936	8,804,851
Due from associated company - trade	209,703	-	-	-
	18,167,801	18,947,523	12,770,937	9,499,156

The amounts due from subsidiary companies and associated company are unsecured, interest free and have no fixed terms of repayment.

Included in trade receivables of the Group is a balance amounting to RM Nil (2001 : RM18,270) owing by a related party, Dat Hin Garment Manufacturing Sdn. Bhd., the relationship is as disclosed in Note 26 to the financial statements.

10. TAXATION

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Net tax liability/(asset) at 1 July	1,228,910	2,706,614	(1,346,427)	(1,047,659)
Taxation charge for the financial year:				
Malaysian taxation				
- Based on results for the year	5,661,958	3,187,274	3,289,000	2,367,000
- Adjustment in respect of prior years	38,823	(73,798)	-	-
Payment made during the year	(6,551,258)	(4,591,180)	(3,073,042)	(2,665,768)
Net tax liability/(asset) at 30 June	378,433	1,228,910	(1,130,469)	(1,346,427)
Disclosed as:				
Tax asset	(1,756,611)	(2,477,671)	(1,130,469)	(1,346,427)
Tax liability	2,135,044	3,706,581	-	-
	378,433	1,228,910	(1,130,469)	(1,346,427)

The taxation expense comprises:

Taxation charge for the financial year:				
Malaysian taxation				
- Based on results for the year	5,661,958	3,187,274	3,289,000	2,367,000
- Adjustment in respect of prior years	38,823	(73,798)	-	-
Deferred taxation (Note 16)	(174,624)	(20,657)	-	-
	5,526,157	3,092,819	3,289,000	2,367,000
Share of taxation in associated company	8,275	-	-	-
	5,534,432	3,092,819	3,289,000	2,367,000

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

10. TAXATION (cont'd)

The Group's effective tax rate is higher than the statutory tax rate as certain expenses were disallowed for tax purposes and losses of certain subsidiary companies are not available for set off against taxable profits of the other subsidiary companies.

Subject to agreement by the Inland Revenue Board, the Group and the Company have unabsorbed tax losses and unutilised capital allowances to set off against future profits as follows:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Unabsorbed tax losses	5,593,000	4,535,000	-	-
Unutilised capital allowances	2,872,000	3,097,000	1,078,000	1,351,000

The Group and the Company have not considered the tax impact of the unabsorbed tax losses and unutilised capital allowances. Potential deferred tax benefits not taken up in the financial statements calculated at 28% tax rate are approximately:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Potential deferred tax benefits	2,370,000	2,136,000	301,000	378,000

11. DEPOSIT, CASH AND BANK BALANCES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Cash and bank balances	13,703,291	9,033,305	259,777	38,159
Fixed deposit with a licensed bank	20,124	20,124	-	-
	13,723,415	9,053,429	259,777	38,159

The fixed deposit has been pledged to a licensed bank for bank guarantee purposes.

12. PAYABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Trade payables	8,539,853	11,124,250	-	-
Other payables and accruals	1,664,591	2,117,385	96,080	220,214
Due to subsidiary companies - non-trade	-	-	256,000	106,000
	10,204,444	13,241,635	352,080	326,214

The amount due to subsidiary companies is unsecured, interest free and has no fixed terms of repayment.

Notes to the Financial Statements *(cont'd)*

- 30 June 2002

13. BORROWINGS *(cont'd)*

	Group	
	2002 RM	2001 RM
Current, secured		
Bank overdrafts	6,854,365	5,725,829
Bankers' acceptance	-	1,298,000
Trust receipts	-	1,558,308
Hire purchase and finance lease obligations	501,109	865,800
	<hr/> 7,355,474	<hr/> 9,447,937
Non current, secured		
Hire purchase and finance lease obligations	180,835	700,221
	<hr/> 7,536,309	<hr/> 10,148,158

(i) The borrowings are secured by way of legal charges over the Group's and the Company's land and buildings as disclosed in Note 3(ii).

(ii) Interest charged is as follows:

Overdrafts	- 2% to 2.25% (2001 : 2% to 2.25%) above the lending banks' base lending rate per annum.
Bankers' acceptance	- 1.5% (2001 : 1.5%) above the inter bank rate per annum.
Trust receipts	- 1.75% to 2% (2001 : 1.75% to 2%) above the lending banks' base lending rate per annum.
Hire purchase and finance lease	- implicit interest rate ranging from 9.58% to 14.5% (2001 : and finance lease 9.58% to 14.5%) per annum.

(iii) Hire purchase and finance lease obligations

	Group	
	2002 RM	2001 RM
Minimum lease payments		
- not later than 1 year	576,378	1,138,527
- later than 1 year and not later than 5 years	197,916	775,773
	<hr/> 774,294	<hr/> 1,914,300
Less: Unexpired finance charges	(92,350)	(348,279)
	<hr/> 681,944	<hr/> 1,566,021

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

14. SHARE CAPITAL

	Group/Company 2002 No. of shares		Group/Company 2001 No. of shares RM	
Authorised:				
Ordinary shares of RM1 each	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 July	30,000,000	30,000,000	30,000,000	30,000,000
Bonus issue during the financial year (Note 30(c))	10,000,000	-	10,000,000	-
At 30 June	40,000,000	30,000,000	40,000,000	30,000,000

15. RESERVES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Non distributable				
Revaluation reserve	-	-	31,509,727	27,055,094
Share premium	-	4,179,261	-	4,179,261
	-	4,179,261	31,509,727	31,234,355
Distributable				
Retained profits	35,098,362	35,934,884	3,221,638	8,703,168
	35,098,362	40,114,145	34,731,365	39,937,523

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax, 1967 to frank the payment of dividend out of its entire distributable reserves as at 30 June 2002.

16. DEFERRED TAXATION

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
At 1 July	492,770	513,427	54,000	54,000
Transfers to income statement (Note 10)	(174,624)	(20,657)	-	-
At 30 June	318,146	492,770	54,000	54,000

The Group intends to hold the revalued properties for long term purposes and has no intention of disposing them in the foreseeable future. Accordingly, the tax effects on the revaluation surplus amounting to approximately RM57,000 (2001: RM57,000) has not been provided for in the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

17. REVENUE

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Dividend income	-	-	10,975,150	9,520,600
Sale of goods	173,340,723	165,712,181	-	-
Rendering of management services	-	-	70,000	280,000
	173,340,723	165,712,181	11,045,150	9,800,600

18. PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at profit from operations:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Auditors' remuneration				
- statutory audit				
- current year	105,000	107,000	20,000	20,000
- under provision in prior years	-	3,000	1,000	5,000
- tax services	1,900	1,850	1,400	1,200
Allowance for doubtful debts	-	780,810	-	-
Allowance for doubtful debts no longer required	(1,477,419)	-	-	-
Amortisation of intangible assets	37,814	255	-	-
Bad debts written off	1,681,544	-	-	-
Depreciation of property, plant and equipment	6,536,560	5,097,162	478,266	597,444
Directors' remuneration (Note 19)	2,075,594	1,948,588	60,000	371,250
Expenditure carried forward written off	-	10,342	-	-
Exceptional item				
- Impairment loss on investment in subsidiary companies	-	-	5,998,499	-
Gain on disposal of property, plant and equipment	(55,357)	(22,948)	-	-
Interest income	(1,734)	(7,825)	-	-
Rental income	(95,200)	(106,600)	(678,816)	(1,018,224)
Rental of equipment	84,571	57,922	-	-
Rental of premises	14,455,407	11,658,893	-	50,944
Royalty income	(102,742)	(60,339)	-	-
Staff costs	33,228,424	28,615,927	43,336	950,833

19. DIRECTORS' REMUNERATION

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Directors of the Company				
- fees	60,000	55,000	60,000	55,000
- other emoluments	1,905,120	1,780,800	-	316,250
Director of a subsidiary company				
- other emoluments	110,474	112,788	-	-
	2,075,594	1,948,588	60,000	371,250

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

19. DIRECTORS' REMUNERATION (cont'd)

This represents remuneration received or receivable by the following directors:

Directors of the Company

Yong Pang Chaun
Yong Lee Peng
Chong Chin Lin
Chan Kwai Heng
Datuk Dr. Abdullah bin Abdul Rahman
Yong Lai Wah
Cheong Chung Yet

Director of a subsidiary company

Yong Lai Ang

The estimated monetary value of other benefits not included in the above received by the directors of the Group and the Company were RM79,900 (2001: RM69,552) and RM600 (2001: RM1,200) respectively.

	Executive 2002 RM	Non- executive 2002 RM	Executive 2001 RM	Non- executive 2001 RM
Group				
Directors of the Company				
Fees	-	60,000	-	55,000
Other emoluments				
- Salaries	1,596,000	-	1,362,000	-
- Bonus	105,000	-	228,000	-
- Statutory contribution	204,120	-	190,800	-
- Estimated value of benefits in kind	79,900	-	69,552	-
	1,985,020	60,000	1,850,352	55,000

The number of Directors in each of the relevant remuneration bands are as follows:

	Executive 2002	Non- executive 2002	Executive 2001	Non- executive 2001
RM1 - RM50,000	-	-	-	2
RM50,001 - RM100,000	-	1	-	-
RM100,001 - RM150,000	1	-	1	-
RM150,001 - RM300,000	-	-	4	-
RM300,001 - RM400,000	5	-	1	-
	6	1	6	2
Company	RM	RM	RM	RM
Directors' fees	-	60,000	-	55,000
Directors' other emoluments				
- Salaries	-	-	249,000	-
- Bonus	-	-	33,000	-
- Statutory contribution	-	-	34,250	-
- Estimated value of benefits in kind	600	-	1,200	-
	600	60,000	317,450	55,000

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

19. DIRECTORS' REMUNERATION (cont'd)

The number of Directors in each of the relevant remuneration bands are as follows:

	Executi ve	Non-executi ve	Executi ve	Non-executive
RM1 - RM50,000	-	-	-	2
RM50,001 - RM100,000	-	1	-	-
RM350,001 - RM400,000	-	-	1	-
	-	1	1	2

20. FINANCE COSTS

	Group		Compan y	
	2002 RM	2001 RM	2002 RM	2001 RM
Bank charges	118,709	134,199	1,094	792
Interest on:				
Hire purchase and finance lease obligations	254,675	286,331	-	245
Bank overdrafts	444,004	414,289	-	-
Bankers' acceptance and trust receipts	253,375	333,500	-	-
Others	19,635	9,855	-	-
	1,090,398	1,178,174	1,094	1,037

21. EARNINGS PER SHARE

The earnings per share of the Group for the financial year is calculated based on the profit after taxation and minority interest divided by the number of ordinary shares in issue during the financial year as follows:

	Group	
	2002 RM	2001 RM
Profit after taxation and minority interest	6,064,217	6,742,668
Number of ordinary shares of RM1 each	40,000,000	40,000,000
Earnings per share (sen)	15.2	16.9

The earnings per share for the financial year ended 30 June 2001 has been restated to include the bonus issue as disclosed in Note 30(c).

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

22. DIVIDEND

Dividend proposed by the Company is as follows:

	Gross per share 2002 Sen	Amount of dividend net of tax 2002 RM	Gross per share 2001 Sen	Amount of dividend net of tax 2001 RM
Proposed final dividend	5.0	1,440,000	5.0	1,080,000

At the forthcoming Annual General Meeting, a final dividend of 5 sen per share on 40,000,000 ordinary shares, less income tax at 28% amounted to RM1,440,000 will be proposed for shareholders' approval.

The financial statements do not reflect this final dividend which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2003 when approved by shareholders.

23. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Additions to property, plant and equipment	8,228,715	7,986,234	104,401	527,344
Financed by hire purchase and finance lease	-	(643,560)	-	-
Cash payment	8,228,715	7,342,674	104,401	527,344

24. SUBSCRIPTION OF SHARES IN SUBSIDIARY COMPANIES

The Company subscribed for 699,998 and 2,200,000 of new ordinary shares, of RM1.00 each in its wholly-owned subsidiary companies, Padini Dot Com Sdn. Bhd. and The New World Garment Manufacturers Sdn. Bhd. respectively.

It is satisfied by:

	RM
- Capitalisation of part of the amount owing by the subsidiary companies	2,679,038
- Cash payment	220,960
	<u>2,899,998</u>

25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Represented by:				
Deposit, cash and bank balances	13,723,415	9,053,429	259,777	38,159
Bank overdrafts	(6,854,365)	(5,725,829)	-	-
	<u>6,869,050</u>	<u>3,327,600</u>	<u>259,777</u>	<u>38,159</u>

Notes to the Financial Statements (cont'd)

- 30 June 2002

26. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosure mentioned elsewhere in the financial statements, the disclosure on related parties and the related transactions are as follows:

(i) Related parties

Related parties are parties in which one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company has related party relationship with the following:

(a) Subsidiary companies of the Company as disclosed in Note 4.

(b) Associated company of the Company as disclosed in Note 5.

(c) Related parties

- Yong Pang Chaun Holdings Sdn. Bhd. ('YPC'), a shareholder of the Company which holds 45% equity interest in the Company where the Directors of the Company, Messrs. Yong Pang Chaun, Chong Chin Lin, Yong Lai Wah and Yong Lee Peng have substantial financial interests. Yong Pang Chaun and Chong Chin Lin are also the directors of YPC.

- Dat Hin Garment Manufacturing Sdn. Bhd. ('Dat Hin'). The Director of the Company, Mdm. Yong Lai Wah has substantial financial interest and Mdm. Yong Lai Wah and Chong Chin Lin are also directors of Dat Hin.

(ii) Related party transactions

In the normal course of business, the Company undertakes on agreed terms and prices, transactions with its related parties as follows:

Transactions entered into with subsidiary companies	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Dividend income received from				
- Seed Corporation Sdn. Bhd.	-	-	-	1,870,000
- Vincci Ladies' Specialties Centre Sdn. Bhd.	-	-	6,981,750	3,852,000
- Padini Corporation Sdn. Bhd.	-	-	3,993,400	3,798,600
Management fees received from				
- Seed Corporation Sdn. Bhd.	-	-	17,500	70,000
- Vincci Ladies' Specialties Centre Sdn. Bhd.	-	-	17,500	70,000
- Padini Corporation Sdn. Bhd.	-	-	17,500	70,000
- Yee Fong Hung (Malaysia) Sendirian Berhad.	-	-	8,750	35,000
- Mikihouse Children's Wear Sdn. Bhd.	-	-	8,750	35,000
Rental income received from				
- Seed Corporation Sdn. Bhd.	-	-	169,704	254,556
- Vincci Ladies' Specialties Centre Sdn. Bhd.	-	-	169,704	254,556
- Padini Corporation Sdn. Bhd.	-	-	169,704	254,556
- Yee Fong Hung (Malaysia) Sendirian Berhad.	-	-	84,852	127,278
- Mikihouse Children's Wear Sdn. Bhd.	-	-	84,852	127,278
Transactions entered into with related parties				
Receipt of profit contribution from YPC	-	519,571	-	-
Dividend paid to YPC	486,000	486,000	486,000	486,000
Sale of goods to Dat Hin	-	6,498	-	-
Purchase of goods from Dat Hin	-	16,337	-	-
Transactions entered into with associated company, Cassardi Corporation Sdn. Bhd.				
Sale of goods	55,315	-	-	-
Purchase of goods	291,173	-	-	-

These notes form part of the financial statements.

Notes to the Financial Statements (cont'd)

- 30 June 2002

27. COMMITMENTS

As at the end of the financial year, non cancellable long-term lease commitments pertaining to the Group in respect of rental of premises are as follows:

	Group	
	2002 RM	2001 RM
Years ending 30 June		
2002	-	10,895,640
2003	17,193,706	7,179,467
2004	14,195,612	2,689,851
2005	8,424,331	131,093
2006	1,742,583	-
	<u>41,556,232</u>	<u>20,896,051</u>

28. CONTINGENT LIABILITIES

	Company	
	2002 RM	2001 RM
Secured		
Freehold land and building pledged to bank for banking facilities granted to a subsidiary company	7,522,229	7,626,392
Unsecured		
Corporate guarantee to banks and financial institutions for banking facilities granted to certain subsidiary companies		
- Facilities approved	37,966,000	40,266,000
- Amount utilised	6,882,016	9,373,350

29. SEGMENTAL ANALYSIS

Group analysis by industries:

	Revenue RM	Cost of sales RM	Profit/(loss) before taxation RM	Gross assets RM
2002				
Investment	-	-	(1,017,258)	9,681,538
Manufacturing	20,383	6,815,009	(6,845,763)	2,765,399
Retailing	173,320,340	89,245,069	19,482,711	83,056,571
	<u>173,340,723</u>	<u>96,060,078</u>	<u>11,619,690</u>	<u>95,503,508</u>
2001				
Investment	-	-	(3,037,872)	10,613,047
Manufacturing	16,224	11,631,254	(12,181,819)	4,286,124
Retailing	165,695,957	87,335,504	25,071,814	83,009,940
	<u>165,712,181</u>	<u>98,966,758</u>	<u>9,852,123</u>	<u>97,909,111</u>

Segment revenue and results include transfer between business segments. Such transfers are accounted for at agreed terms and prices. These transfers are eliminated on consolidation.

The Group's businesses were predominantly carried out in Malaysia and therefore information by geographical segment is not applicable.

Notes to the Financial Statements (cont'd)

- 30 June 2002

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The Company subscribed for shares in wholly-owned subsidiary companies, as disclosed in Note 24 to the financial statements.
- (b) The Company acquired 560,000 ordinary shares of RM1.00 each, representing 40% of the issued and paid-up share capital of Cassardi Corporation Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM560,000.
- (c) The Company undertook a bonus issue of 10,000,000 new ordinary shares of RM1.00 each in the Company on the basis of one new ordinary share for every three existing shares held by the capitalisation of the entire share premium account of RM4,179,261 and RM5,820,739 being a part of the retained profits.
- (d) A wholly-owned subsidiary company, The New World Garment Manufacturers Sdn. Bhd., had entered into a Sale and Purchase Agreement on 14 June 2002 to dispose off its leasehold land and building for a total cash consideration of RM820,000. As at the date of this report, the disposal has yet to be completed.

31. SUBSEQUENT EVENT

The Company had on 30 May 2002 announced the proposed establishment of employee's share option scheme ("proposed ESOS"). Approval from Securities Commission had been received on 26 July 2002 in relation to the proposed ESOS and subsequently approved by the shareholders at the Extraordinary General Meeting held on 16 September 2002. It became effective on 3 October 2002 for a period of 5 years.

The main features of the ESOS are:

- (a) The total number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.
- (b) Eligible employees are those who have been confirmed in writing as an employee of the Group for at least three (3) years of continuous services at the date of the offer and an eligible director is a full-time executive director of the Group. Where a foreign employee is serving the Group under an employment contract, the contract shall be for a duration of at least five (5) years.
- (c) The option price shall be set at a discount of not more than 10% from the weighted average market price of the Company for the five (5) market days immediately preceding the date of offer or the par value of the shares of the Company of RM1.00 each, whichever is higher.
- (d) An option granted under ESOS shall be capable of being exercised by the grantee by notice in writing to the Company during the year commencing from the date of the offer and expiring on 2 October 2007. The options granted shall be exercisable by the grantee in multiples of 1,000 shares in the following manner:

Maximum percentage of new shares comprise in all options granted to the grantee which may be subscribed for within each particular year of the scheme					
No. of lots allotted	Year 1	Year 2	Year 3	Year 4	Year 5
1	100%	-	-	-	-
2 - 3	50%	50%	-	-	-
4 - 9	25%	25%	25%	25%	-
10 and above	20%	20%	20%	20%	20%

These notes form part of the financial statements.

Notes to the Financial Statements *(cont'd)*

- 30 June 2002

31. SUBSEQUENT EVENT *(cont'd)*

- (e) Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the ESOS.
- (f) All the new ordinary shares issued arising from ESOS rank pari-passu in all respects with the existing ordinary shares of the Company.
- (g) The grantees have no right to participate, by virtue of these options, in any share issue of any other company within the Group.

On 10 October 2002, a total of 2,924,000 options were offered to the employees of the Group at an exercise price of RM1.58 per share.

Analysis of Shareholdings

as at 30 June 2002

Authorised Share Capital	:	RM50,000,000.00
Issued and Paid-up Capital	:	RM40,000,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per Ordinary share
No. of shareholders	:	643

DISTRIBUTION SCHEDULE - ORDINARY SHAREHOLDERS AS AT 25/10/2002

No. of Holder s	Holdings	Total Holdings	%
24	1 - 999	6,640	0.02
542	1,000 - 10,000	1,350,531	3.38
59	10,001 - 100,000	1,312,324	3.28
13	100,001 - 1,999,999	4,966,328	12.41
5	2,000,000 and above	32,364,177	80.91
643	TOTAL	40,000,000	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 25/10/2002

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. UOBM Nominees (Tempatan) Sdn. Bhd.	10,000,179 8,000,000	- -	25.00 20.00	- -
2	Puncak Bestari Sdn. Bhd.	Incorporated In Malaysia	HDM Nominees . (Tempatan) Sdn. Bhd Puncak Bestari Sdn. Bhd.	8,000,000 3,950,666	- -	20.00 9.88	- -
3	Yong Pang Chaun **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd. UOBM Nominees (Tempatan) Sdn. Bhd. Chong Chin Lin #	- - -	10,000,179 8,000,000 6,000	- - -	25.00 20.00 0.02
4	Chong Chin Lin **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd. UOBM Nominees (Tempatan) Sdn. Bhd. Chong Chin Lin	- - 6,000	10,000,179 8,000,000 -	- - 0.02	25.00 20.00 -
5	Yong Lee Peng **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd. UOBM Nominees (Tempatan) Sdn. Bhd.	- -	10,000,179 8,000,000	- -	25.00 20.00
6	Yong Lai Wah **	Malaysian	Yong Pang Chaun Holdings Sdn. Bhd. UOBM Nominees (Tempatan) Sdn. Bhd.	- -	10,000,179 8,000,000	- -	25.00 20.00
7	Seo Cheng Gaok	Malaysian	Seo Cheng Gaok	2,413,332	-	6.03	-

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

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

Deemed Interest via his spouse, Madam Chong Chin Lin's direct interest.

Analysis of Shareholdings *(cont'd)*

as at 30 June 2002

DIRECTORS' INTERESTS IN SHARES AS AT 25 OCTOBER 2002

Shareholdings in the Company

Director	No. of shares held Indirect	%	No. of shares held Direct	%
Datuk Dr Abdullah bin Abdul Rahman	nil	nil	nil	nil
Dato' Zulkifli bin Abdul Rahman	nil	nil	nil	nil
Yong Pang Chaun	18,006,179	45.01	nil	nil
Chan Kwai Heng	nil	nil	nil	nil
Cheong Chung Yet	nil	nil	10,666	0.03
Chong Chin Lin	18,000,179	45.00	6,000	0.02
Yong Lee Peng	18,000,179	45.00	nil	nil
Yong Lai Wah	18,000,179	45.00	nil	nil
Sahid bin Mohamed Yasin	nil	nil	nil	nil

Shareholdings in a subsidiary company - Vinci Ladies' Specialties Centre Sdn Bhd

Director	No. of shares held Indirect	%	No. of shares held Direct	%
Yong Lai Wah	nil	nil	5,000	0.31

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

LIST OF TOP 30 SHAREHOLDERS AS AT 25 OCTOBER 2002

(As per the Record of Depositors)

No.	Name	No. of Shares	%
1	Yong Pang Chaun Holdings Sdn. Bhd.	10,000,179	25.00
2	UOBM Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Yong Pang Chaun Holdings Sdn. Bhd.	8,000,000	20.00
3	HDM Nominees (Tempatan) Sdn. Bhd. Qualifier : HDM Venture Capital Sdn. Bhd for Puncak Bestari Sdn. Bhd.	8,000,000	20.00
4	Puncak Bestari Sdn. Bhd.	2,837,333	7.09
5	Seo Cheng Gaok	2,406,666	6.02
6	Puncak Bestari Sdn. Bhd.	1,113,333	2.78
7	AMMB Nominees (Tempatan) Sdn. Bhd. Qualifier : Amtrustee Berhad for BHLB Pacific Dana Al-Ihsan (5/2-7)	742,666	1.86
8	Universal Trustee (Malaysia) Berhad Qualifier : BHLB Pacific Emerging Companies Growth Fund	712,000	1.78
9	Shia Yoon @ Chia Win Thy	689,333	1.72
10	Perbadanan Nasional Berhad	600,000	1.50
11	Yong Yee Ching	505,998	1.27
12	Universal Trustee (Malaysia) Berhad Qualifier : BHLB Pacific High Growth Fund	372,333	0.93

Analysis of Shareholdings *(cont'd)*

as at 30 June 2002

LIST OF TOP 30 SHAREHOLDERS AS AT 25 OCTOBER 2002 *(cont'd)*

(As per the Record of Depositors)

No.	Name	No. of Shares	%
13	Ho Kok Keong	337,332	0.84
14	Soon Peng Len	265,333	0.66
15	Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for A.A. Anthony Securities Sdn. Bhd. (2555 PENG)	148,000	0.37
16	Leong Choong Wai	136,000	0.34
17	Wong Kiat Choong	121,333	0.30
18	Citicorp Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Yip Swee Kian (472257)	120,000	0.30
19	Chin Koy Nyei	120,000	0.30
20	Wong Kiat Choong	96,000	0.24
21	Akira Koizumi	80,000	0.20
22	Thian Yee Chin	71,000	0.18
23	Ong Sing Hewa	69,000	0.17
24	Lah Kar Seong	52,000	0.13
25	Gan Eng Peng	52,000	0.13
26	Yee Man	51,000	0.13
27	Kenanga Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Sheah Kok Fah	49,000	0.12
28	Loh Yoon Lian	41,000	0.10
29	Liow Meng Kiong	40,000	0.10
30	Yip Swee Kian	37,000	0.09
TOTAL		37,865,839	94.66

List of Group Properties

As at 25 October 2002

Location	Description / Existing Use	Land Area / Built-up Area (sq. ft.)	Tenure	Approximate Age of Buildings	Net Carrying Amount @ 30.06.2002 (RM)
No. 21, Lot 116, Jalan U1/20, Hicom Glenmarie, Industrial Park 40000, Shah Alam. Date of acquisition : 11 June 1998	3-storey office cum 2-storey warehouse: Corporate headquarters & central warehouse	45,962 / 56,568	Freehold	6.5 years	7,522,229
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	29 years	954,480
No. 247, Jalan Mahkota, Taman Maluri, Cheras, 56100 Kuala Lumpur. Date of last revaluation : 1982	4-storey shophouse: Partly rented out and partly used for employees accommodation	2514 / 8212	Leasehold - 99 years expiring on 24.05.2076	20.5 years	644,233
No. 1, Lorong 6E/91, Taman Shamelin Perkasa, Batu 3 1/2, Jalan Cheras, 56100 Kuala Lumpur. Date of acquisition : 8 March 1990	4-storey shophouse: Partly rented out and partly used for in-house manufacturing	2208 / 7552	Leasehold - 99 years expiring on 11.09.2082	12 years	630,384
No. 3, Lorong 6E/91, Taman Shamelin Perkasa, Batu 3 1/2, Jalan Cheras, 56100 Kuala Lumpur. Date of acquisition : 08 March 1990	4-storey shophouse: partly rented out and partly used for in-house manufacturing	1760 / 6135	Leasehold - 99 years expiring on 11.09.2082	12 years	650,251
No. 29, Lorong 6E/91, Taman Shamelin Perkasa, Batu 3 1/2, Jalan Cheras, 56100 Kuala Lumpur. Date of acquisition : 23 May 1984	4-storey shophouse: Rented out	1760 / 6135	Leasehold - 99 years expiring on 11.09.2082	12 years	636,874
No. 2, Jalan 8/91, Taman Shamelin Perkasa, Batu 3 1/2, Jalan Cheras, 56100 Kuala Lumpur Date of acquisition : 08 March 1990	1 1/2-storey terrace factory : used previously for in-house manufacturing S&P Agreement entered into on 14th June 2002 to dispose off the property	4000 / 3913	Leasehold - 99 years expiring on 11.09.2082	12 years	699,106
No.15, Jalan 8/91, Taman Shamelin Perkasa, Batu 3 1/2, Jalan Cheras, 56100 Kuala Lumpur. Date of acquisition : 18 July 1990	1 1/2-storey duplex factory: used for in-house manufacturing	11040 / 10150	Leasehold - 99 years expiring on 11.09.2082	12 years	1,116,124

Statement Regarding Revaluation Policy

as at 30 June 2002

In 1982, two items consisting of two retail shoplots located in Sungei Wang Plaza (freehold), and one four storey shophouse located in Taman Maluri, Cheras (leasehold), owned by subsidiary company, Padini Corporation Sdn Bhd, were revalued based on the open market value method of valuation.

Since then, none of the landed properties owned by the Company and its subsidiary companies had been revalued.

As for the revaluation done in 1982, the Directors have adopted the transitional provision as allowed by the Malaysian Accounting Standards Board, and the Group has retained that revaluation subject to the continuing application of the current depreciation policy.

Form of Proxy

I/We _____ of _____
_____ being a member/members of Padini Holdings Berhad hereby appoint
_____ (NRIC NO: _____) of _____

or failing him/her, _____ (NRIC NO: _____) of _____

as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at No. 21 Lot 116, Jalan U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan on 20 December 2002 at 10:00 a.m. or at any adjournment thereof.

My/our proxy/proxies shall vote as indicated below:-

		FOR	AGAINST
Resolution 1	To receive the Audited Financial Statements and Reports		
Resolution 2	To declare a Final Dividend of 5% less tax		
Resolution 3	To approve payment of Directors' fee of RM60,000/-		
Resolution 4	To re-elect Dato' Zulkifli bin Abdul Rahman as Director		
Resolution 5	To re-elect Mr Yong Pang Chaun as Director		
Resolution 6	To re-elect Madam Yong Lai Wah as Director		
Resolution 7	To appoint Messrs Peter Chong & Co. as Auditors		
Resolution 8	Authority to issue shares pursuant to Section 132D		

Please indicate with an "X" in the appropriate spaces as to how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her/their discretion(s).

Dated this _____ day of _____ 2002

Number of Shares held

Signature: _____

Notes:

- (i) A member of the Company entitled to attend and vote at this AGM, is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, under its Common Seal or under the hand of an officer or its attorney duly authorised.
- (iii) The instrument appointing a proxy must be completed and deposited at the registered office of the Company at No.21, Lot 116, Jalan U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor, not less than forty eight (48) hours before the time appointed for the holding of the AGM or adjourned AGM (or in the case of a poll before the time appointed for the taking of the poll).
- (iv) Any alteration in this form must be initialled.

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Stamp

The Secretary
PADINI HOLDINGS BERHAD
(Company No: 50202-A)

No. 21, Lot 116, Jalan U1/20
Hicom Glenmarie Industrial Park
40000 Shah Alam, Selangor Darul Ehsan

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