PADINI HOLDINGS BERHAD

(50202-A)
(Incorporated in Malaysia)

Annual Report 2008

vision

To Be The
Best Fashion Company
Ever

mission

To Exceed
Customers' Expectations
And
Our Brands' Promise

core value

PADINI

caring from the heart

Contents

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of the Company will be held at No. 19, Jalan U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on 19 December 2008 at 10:00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2008 together with the Reports of the Directors and Auditors thereon. (Resolution 1)

2. To declare a Final Dividend of 8 sen less Malaysian Income Tax of 25% for the financial year ended 30 June 2008. (Resolution 2)

3. To approve payment of Directors' fee of RM100,000.00 in respect of the financial year ended 30 June 2008. (Resolution 3)

4. To re-elect the following Directors who are retiring in accordance with Article 102(1) of the Company's Articles of Association:-

   i) Mr. Yong Pang Chaun (Resolution 4)
   ii) Ms. Yong Lai Wah (Resolution 5)

   [Dato' Zulkifli Bin Abdul Rahman who is subject to retirement in accordance with Section 129(6) of the Companies Act, 1965, has indicated that he will not be seeking re-appointment as a Director of the Company at this Annual General Meeting.]

5. To re-appoint Messrs Peter Chong & Co. as the Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

6. 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 19 December 2008, a final dividend of 8 sen less 25% income tax in respect of the financial year ended 30 June 2008 will be paid on 13 March 2009 to shareholders whose names appear in the Record of Depositors on 3 March 2009.

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

(a) Shares transferred to the Depositor's securities account before 4:00 p.m. on 3 March 2009 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

LIEW KHOON WAN (MACS 00103)
HO MUN YEE (MAICSA 0877877)
Company Secretaries

Selangor
27 November 2008

Notes:

(i) *A member of the Company entitled to attend and vote at the above meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

(ii) *Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*

(iii) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*

(iv) *The instrument appointing a proxy must be completed and deposited at the registered office of the Company at 3rd Floor, No. 17 Jalan Ipoh Kecil, 50350 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll).*

Statement Accompanying the Notice

of the 27th Annual General Meeting ("AGM")

1. Further details of Directors who are standing for re-election as Directors

The profiles of the Directors who are standing for re-election at the 27th Annual General Meeting are set out in the Board of Directors Profile on pages 24 to 27 of the Annual Report. Their shareholdings in the Company and its subsidiaries are set out in the section entitled "Directors' Shareholdings and Interests" on page 99. No individual other than the retiring Directors are seeking election as a Director at the 27th Annual General Meeting.

Corporate Information

For the financial year ended 30 June 2008

CHAIRMAN	Datuk Dr. Abdullah bin Abdul Rahman
MANAGING DIRECTOR	Yong Pang Chaun
DIRECTORS	Dato' Zulkifli bin Abdul Rahman Yong Lai Wah Chong Chin Lin Chan Kwai Heng Sahid bin Mohamed Yasin Cheong Chung Yet
COMPANY SECRETARIES	Ho Mun Yee (MAICSA 0877877) Liew Khoon Wan (MACS 00103)
AUDITORS	Peter Chong & Co. (formerly known as BKR Peter Chong) Chartered Accountants
PRINCIPAL BANKERS	Standard Chartered Bank Malaysia Berhad The Bank of Nova Scotia Berhad
REGISTERED OFFICE	3rd Floor No. 17, Jalan Ipoh Kecil 50350 Kuala Lumpur Tel : 03 - 40443235 Fax : 03 - 40413959
PRINCIPAL PLACE OF BUSINESS	No. 19, Lot 115, Jalan U1/20 Hicom Glenmarie Industrial Park 40150 Shah Alam Selangor Darul Ehsan Tel : 03 - 51233633 Fax : 03 - 78051066
SHARE REGISTRAR	PFA Registration Services Sdn. Bhd. Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel : 03 - 22643883 Fax : 03 - 22821886
STOCK EXCHANGE LISTING	Main Board of Bursa Malaysia Securities Berhad

Corporate Structure

PADINI HOLDINGS BERHAD (50202-A)

100%	MIKIHOUSE CHILDREN'S WEAR SDN. BHD. (164485-U)
100%	PADINI CORPORATION SDN. BHD. (22159-H)
100%	SEED CORPORATION SDN. BHD. (194391-K)
100%	YEE FONG HUNG (MALAYSIA) SENDIRIAN BERHAD (15011-U)
100%	PADINI DOT COM SDN. BHD. (510558-H)
100%	VINCCI LADIES' SPECIALTIES CENTRE SDN. BHD. (73404-H)
100%	VINCCI HOLDINGS SDN. BHD. (97644-K)
100%	THE NEW WORLD GARMENT MANUFACTURERS SDN. BHD. (80490-U)
100%	PADINI INTERNATIONAL LIMITED, HONG KONG (896012)

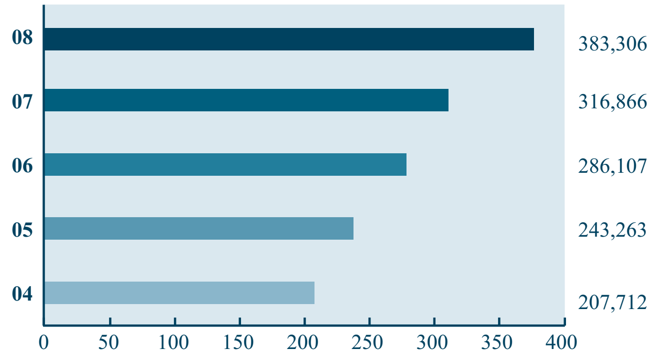
Group Financial Highlights

	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000
Revenue	207,712	243,263	286,107	316,866	383,306
Profit before taxation	11,572	25,573	39,519	44,007	57,659
Profit attributable to equity holders of the Company	6,340	18,079	27,691	31,403	41,715
Basic earnings per share (sen) based on profit attributable to equity shareholders*	5.20	14.55	22.02	24.24	31.71
Diluted earnings per share (sen)*	5.05	14.30	21.84	24.21	NA
NA denotes not applicable as the ESOS was expired on 2 October 2007.					
Net assets	86,695	98,772	118,846	142,341	169,478
Net assets per share (sen) *	70.1	79.1	93.5	108.5	128.8
Dividend per share (sen) ^	5 sen	7.5 sen	10 sen	12.5 sen	15 sen

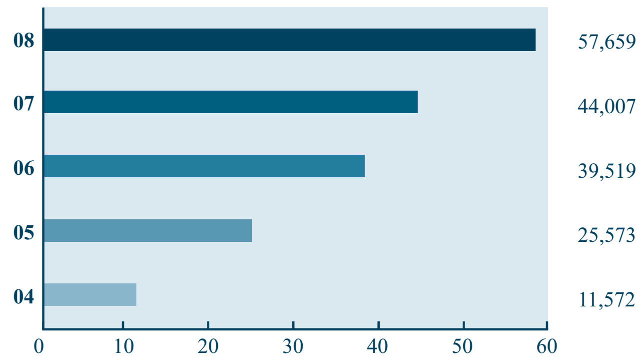
* *Based on ordinary shares of RM0.50 each.*

^ *For year 2004 to 2007, the figures have been restated to take into account the share split.*

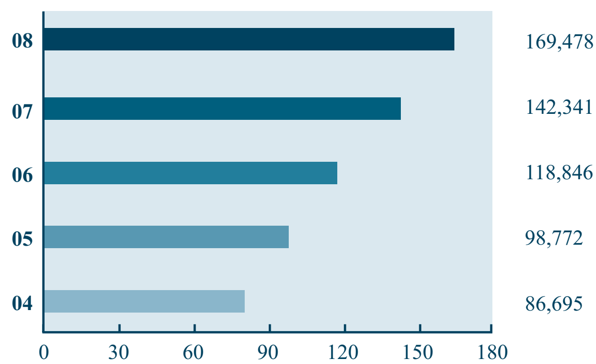
Revenue (RM Thousand)



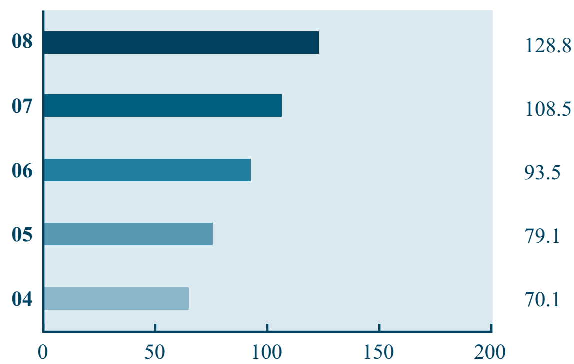
Profit before tax (RM Thousand)



Net assets (RM Thousand)



Net assets per share (sen)



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 30th June 2008.

INDUSTRY TREND AND DEVELOPMENT

All things remaining unchanged, two things stand out very prominently as regards the state of the retail industry today. Firstly, consumers' preferences for novelty and diversity in the aesthetics, design, quality and functionality of the products they purchase have become increasingly more pronounced, and secondly, there is now a greater need than ever before to collect, and then to analyse, as much information about consumer spending habits and behaviours as possible.

So while understanding and meeting consumers needs and wants have always been prerequisites for a retailer / brand owner to become successful, it would seem that in the years ahead, these capabilities may eventually become necessities just so a retailer / brand owner gets to stay in the game.

As such, there is now an urgent case for a retailer / brand owner to put in place, certain systems or mechanisms to get ever closer to its customers, and to execute programmes to clearly illustrate to its customers in particular and to the market in general, that the retailer or the brand actually cares what the customer is all about. The benchmarks that constitute exemplary customer service will therefore come to encompass an ever-widening scope of activities designed to endear the customer to the brand.

And in an environment of instant communication and easy global access to not only the latest information but also to feedback, comment and criticisms, retailers / brand owners will have to become ever mindful that the activities they conduct, the messages they send out, and the attitudes and the practices they promote and condone, be wholesome and socially responsible ones.

FINANCIAL RESULTS

For the financial year under review, the Group achieved a consolidated revenue of RM383.3 million, a growth of 21% over the previous year's amount of RM316.9 million. Gross profits rose in tandem by 24.7% over the same period, while profit before taxation grew by 31%, from RM44 million achieved in the previous year to RM57.7 million in the current financial year. Profit after taxation attributable to equity holders rose 32.8% to RM41.7 million when compared to the amount of RM31.4 million achieved during the previous financial year.

DIVIDENDS

In respect of the financial year under review, a first interim dividend of 10 sen (less 26% income tax) amounting to RM9,737,063 had been announced and already paid, and the Board further recommended a final dividend of 8 sen per share less 25% income tax for the financial year ended 30th June 2008 for approval by the shareholders at the forthcoming Annual General Meeting.

BUSINESS REVIEW

The Group's domestic operations had continued to be the main driver of its revenues and profits, and garments, shoes, fashion accessories made up the bulk of the products offered for sale.

In the domestic market, our products are sold through the numerous retail stores and consignment counters that the Group manages. There are also several Vincci franchise stores in the smaller towns of Malaysia.

In markets abroad, the products are sold mostly through retail stores and counters managed by licensees and dealers.

BUSINESS REVIEW (Cont'd)

The Group's products are carried under the following brand names; Vincci, VNC, Vincci+, Padini Authentics, PDI, Padini, Seed, Miki, and P&Co, all of which are owned by the Group. The aforementioned brands are widely known by Malaysian consumers and are widely available in the major urban shopping malls of Malaysia. In addition to those, the Group also utilizes a great number of lesser known brands to market the value-for-money merchandise that it produces for sale in its Brands Outlet stores.

The following tables provide a snapshot of the Group's retail network, broken down according to our brands, and markets, as at the various dates indicated.

Brands – Domestic Only	As at 30.6.2006	As at 30.6.2007	As at 30.6.2008
Vincci, Vincci+, Vincci Accessories			
Free-standing stores	15	17	17
Consignment counters	3	1	1
Franchise stores	9	10	10
Seed			
Free-standing stores	10	10	5
Consignment counters	22	30	38
Padini Authentics			
Free-standing stores	12	13	10
Consignment counters	9	13	19
PDI			
Free-standing stores	14	16	12
Consignment counters	-	-	-
Padini			
Free-standing stores	2	4	3
Consignment counters	20	25	29
P&Co			
Free-standing stores	4	4	2
Miki Kids			
Consignment counters	15	19	21
Miki Mom			
Consignment counters	7	8	10
Brands Outlet			
Free-standing stores	-	1	5
Multi-brands			
Free-standing stores *	7	9	15
Total	149	180	194

* the 15 multi-brand stores as at 30.6.2008 contain a total of 101 stores-within-store (54 as at 30.6.2007) showcasing the various brands of the Padini Group

BUSINESS REVIEW (Cont'd)

Brands – Foreign Only	Locations	As at 30.6.2006	As at 30.6.2007	As at 30.6.2008
Vincci/VNC				
Franchise Stores	ASEAN	12	16	15
	Saudi Arabia	12	15	18
	UAE	2	2	4
	Australia	3	3	0
	Oman	0	1	1
	India	0	0	4
Dealer Stores	Thailand	8	10	11
Seed				
Franchise Stores	Saudi Arabia	6	6	5
	UAE	1	0	0
Dealer Stores	Singapore	0	0	0
	Thailand	16	19	19
Padini Authentics				
Franchise stores	Saudi Arabia	5	5	5
Total		65	77	82

Retailing – Domestic and Abroad

For the year under review, domestic operations accounted for 90% or RM345 million of the Group's consolidated revenues, marginally up from the 89.2% or RM282.6 million recorded in the last financial year. While in absolute value terms, exports were up RM3.9 million from RM34.3 million in the 2007 financial year to RM38.2 million for the year under review, its relative contribution to overall revenues was in fact slightly down.

In the domestic sector, except for the 10 Vincci franchise stores, all the stores and outlets indicated above were run by the Group, and all but 3 franchise stores and 2 multi-brand stores are located in Peninsular Malaysia.

As seen from the above table relating to our domestic operations, we have been gradually closing our single-brand shops and have instead expanded the number of our multi-brand shops, consignment counters and Brands Outlet stores. For the financial year under review, the Group added more than 58% or 140,000 square feet to the gross floor area occupied by its free-standing stores.

Reflecting the increase in our gross floor area, sales revenues from our free-standing stores grew about 17% in absolute terms year-on-year; at the same time, same store sales growth was at nearly 10%.

Revenues from our Brands Outlet stores earned from the sale of merchandise we have developed or bought, and from commissions received from consignors operating in our outlets, had reached RM12.7 million already by the end of the financial year under review. This was achieved despite the fact that only two of the five Brands Outlet stores operating at the end of June 2008 had actually been in operations for a full year. The other three were opened between the months of November 2007 and April 2008.

This expansion in our network of multi-brand concept stores and Brands Outlet stores will provide us with ample opportunities to further drive domestic and overall revenue growth in the years ahead.

On the export front, especially for our Vincci/VNC label, 11 more new stores were opened by our franchisees in the year while 5 others were closed.

Retailing – Domestic and Abroad (Cont'd)

For the financial year under review, the individual performance of the 5 trading subsidiary companies are indicated in the table below.

Company	FYE 30.6.2007	FYE 30.6.2008
Vincci Ladies' Specialties Centre SB		
Revenues	RM121 million	RM134.1 million
Profit before Taxation	RM17.2 million	RM19.2 million
Padini Corporation SB		
Revenues	RM103.6 million	RM134.1 million
Profit before Taxation	RM15 million	RM25.7 million
Seed Corporation SB		
Revenues	RM58.9 million	RM67.3 million
Profit before Taxation	RM7.2 million	RM8.1 million
Yee Fong Hung (Malaysia) SB		
Revenues	RM12.9 million	RM24.4 million
Profit before Taxation	RM0.3 million	RM0.67 million
Mikihouse Children's Wear SB		
Revenues	RM11.2 million	RM13 million
Profit before Taxation	RM0.2 million	RM0.49 million

Cafe Operations

At the present moment, our café operations are confined only to the ones located at our head office in Shah Alam and at the Mid Valley Megamall. The one located in our multi-brand store in the One Utama Shopping Centre (New Wing) was closed earlier this year on the 25th of June. As a result of the rationalization done to the café operations over the past two years, we have managed to trim the losses arising from this business from RM2.3 million incurred for the previous financial year to about RM1 million for the year under review.

Investments in IT and systems solutions

To address problems arising from the use of the Group's existing IT software and systems which were more than 10 years old already, and to drastically increase the efficiency, effectiveness and functionality of the Group's record-keeping, reporting, controlling and analysis processes, the Group entered into an agreement in April 2008 with internationally renowned solutions provider, SAP, to purchase their propriety ERP (Enterprise Resource Planning) solutions.

Incidental to the above purchase, the Group also made a decision to replace and upgrade the point-of-sale systems that it is currently using for its free-standing stores in Malaysia. With the new retail solution, we expect to collect, organize and analyse more data from our retail activities and thereby improve our decision-making vis-à-vis our design and merchandising and on how we can serve our customers better. While the ERP solution alone would cost about RM7.5 million, we expect that this group-wide upgrade of our information systems would cost around RM10 million eventually.

Senior management believes that this investment, while substantial, will be money well-spent as the upgraded systems and solutions would equip us with the ability to cope with the pressures posed by today's retail market and with the Group's expansion for many years to come.

FUTURE OUTLOOK

The current global economic mess triggered by the sub-prime mortgage crisis in the United States and the ensuing financial repercussions that are being played out throughout the world's financial markets paint a very grim picture of the year ahead. Practically all opinions project that the retail trade sector will decline in the near term and a large majority of fund managers and business analysts will no doubt call for a downgrade on the sector. Even retailers themselves will scramble for sales by doing all kinds of sales promotions, offers and mark-downs, and as a result suffer reduced gross margins. We however believe that such phenomenon is part and parcel of the business cycle, and one or two bad years do not necessarily spell the end for retail or make it any less attractive in future. The Group's experiences with the past recessions of the 80's and 90's and the knowledge that our brands are strong and command a premium give us cause for composure. And together with the competencies and resources at our disposal, the current economic upheaval could also be an opportune time to secure bargains should they arise. While we are not exactly rejoicing over the current economic crunch, we are not in despair either because we know for sure that any unavoidable setbacks would only be temporary, and with the focus that we have all this while put into managing our business and brands, we are confident that our Group will continue to perform and prosper.

Besides the competencies that prime locations, comprehensive systems, and timeliness in both procuring relevant information and then doing clever analysis, can bring to the table, the continued success of a retailer will rest considerably on the brands that he has and on the perceptions that his customers have of his brands. And as such, a retailer will have to spend on his brands one way or another. Whether or not the approach is right or good for the brand is another matter altogether but branding is a must.

For us, we have adopted a consistent approach to the way we present and position our brands, nurture them, believe in and give credibility to them. And as evident from our track records, this approach has gone a long way towards promoting and ensuring the appeal of our brands. It lets our customers and those that support our brands know more or less what to expect when they visit our stores and buy our products; over time this encourages our customers to get comfortable with and believe in the brands.

In the years ahead, it is also expected that technology will feature prominently in the way the retail trade will be managed. As technology advances, and collection of comprehensive information about stock-in-trade movements, and consumer spending patterns, preferences and behaviours become easier and less costly, we will rely increasingly on such advances to help us tweak more efficiencies out of the processes that are now in place. In this regard, we will invest in such technologies to give us more visibility on the activities that occur out in our shops. Technologies that will permit us to scale down on the use of manpower to perform repetitive, routine and tedious tasks will also be enthusiastically pursued so that the manpower that is employed to operate the retail stores will be more productive and less numerous in numbers. This should greatly assist in reducing the pressure of having to continually procure and train increasingly difficult-to-get frontline staff. Improved technologies for monitoring and tracking of store activities and merchandise would also be adopted to help in protecting the assets of the Group located at the stores.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my appreciation and thanks to our management and our staff at all levels and positions for their contributions and dedication without whom the current achievements of the Padini Group would certainly not have been that commendable. I also thank our customers, business partners, bankers, advisors, and shareholders for their continued support. The Padini Group looks forward to being able to create more value for all stakeholders concerned.

Datuk Dr Abdullah bin Abdul Rahman
Chairman
Date: 16 October 2008

Statement on Corporate Social Responsibility

For the financial year ended 30 June 2008

For the financial year ended 30th June 2008, the Group did not have in place any structured systems to address its corporate social responsibilities nor does it have any formalized and stated objectives in this regard.

We have however drawn up plans to offer both an internship programme as well as a management trainee programme and these two programmes have been positioned to commence during the 2009 financial year.

The internship programme will be opened to undergraduate students, for a duration of between 2 to 4 months, and will involve up to ten participants a year. This programme is aimed at exposing participants to the activities that a specific organizational department of their choice conducts. The intention is to allow participants to discover their own strengths and therefore make better choices and to prepare better in relation to the careers they wish to pursue. A learning mentor and or supervisor will be assigned to each student.

The management trainee programme, on the other hand, is opened to fresh graduates from universities and colleges who are keen to pursue management career opportunities in the retail apparel industry. The ten participants in this programme will be recruited and they will put through a three-month programme that will focus on the skills expected and necessary for a successful transition from school to full-time employment. We intend to have up to 2 intakes per year for this programme.

The basic premise behind the two programmes is one of education with an overriding aim of preparing those who are about to start their future careers ponder more deeply about what they intend to do once they enter the labour market as well as to give them an indication of what employment in the real world would be like. For too long now we have been hearing of unemployable graduates and with our programmes we hope that we would be able to contribute towards mitigating this situation.

The statement below reports on how the Group has applied the Principles as set out in Part 1 of the Malaysian Code on Corporate Governance (the "Code") and the extent of its compliance with Part 2 of the Code.

SECTION 1: DIRECTORS

Composition of the Board

The company is led and managed by a Board of Directors with vast experience in business, commercial and finance. A brief description on the background of each director is presented on pages 24 to 27 of the Annual Report.

The Board currently has eight (8) members, five (5) Executive Directors including the Managing Director and three (3) Non-Executive Directors (of whom all are independent). This is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), which require that two or one third, whichever is higher, of the total number of Directors to be Independent Directors.

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

The Independent Directors are independent of Management and majority shareholders. They provide independent views and judgment and at the meantime safeguard the interests of parties such as minority shareholders. No individual or group of individuals dominates the Board's decision making and the number of directors fairly reflects the investment of the shareholders.

The roles of the Chairman and the Managing Director are separated with Datuk Dr. Abdullah bin Abdul Rahman as the Independent Non-Executive Chairman of the Board and Mr. Yong Pang Chaun as the Managing Director. This will ensure a balance of power and authority.

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.

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

Appointment and Re-election of Directors

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.

Responsibilities and Supply of Information

The Board has the overall responsibility for reviewing and adopting a strategic plan for the Group, overseeing the conduct of the Group's business, identifying principal risks and ensuring 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.

All Directors receive appropriate and timely information which enable them to discharge their responsibilities. Board papers, which include financial and operational information, and an agenda are provided to the Directors in advance of each Board meeting. This enables the Directors to have access to further explanations, and where necessary, to be briefed prior to the meeting.

All Directors have full access to information pertaining to all matters for the purpose of making decisions. All Directors have access to the advice and services of the Company Secretary who ensures compliance with statutory obligations, Listing Requirements of Bursa Securities or other regulatory requirements. The removal of the Company Secretary shall be a matter for the Board as a whole.

Board Meetings

The Board meets regularly throughout the year. Five (5) Board meetings were held during the financial year ended 30 June 2008. The number of Board meetings held during the financial year ended 30 June 2008 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 2008***	***% of Attendance***
Executive Directors		
Mr. Yong Pang Chaun	5/5	100
Mr. Chan Kwai Heng	5/5	100
Mr. Cheong Chung Yet	4/5	80
Ms. Chong Chin Lin	5/5	100
Ms. Yong Lai Wah	5/5	100
Non-Executive Directors		
Datuk Dr. Abdullah bin Abdul Rahman	5/5	100
Dato' Zulkifli bin Abdul Rahman	4/5	80
En. Sahid bin Mohamed Yasin	5/5	100

Restriction on Directorships

The number of Directorships held by the Directors is as stated on pages 24 to 27 of the Annual Report.

Directors' Remuneration

Remuneration procedure

The Board has decided that there is no need for a Remuneration Committee to be set up presently. The remuneration of each Executive 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.

Non-Executive Directors are provided with Directors' fees, which are approved by the shareholders at the Annual General Meeting, based on the recommendation of the Board.

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	1,730,004	45,940	658,840	92,367	286,740	2,813,891
Non-Executive Directors	-	100,000	-	-	-	100,000

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

RANGE OF REMUNERATION	Executive Directors	Non-Executive Directors
Below RM50,000	-	2
RM50,001 - RM100,000	-	1
RM150,001 - RM200,000	1	-
RM500,001 – RM550,000	1	-
RM550,001 – RM600,000	2	-
RM900,001 – RM950,000	1	-

Directors' Training

In compliance with the Listing Requirements of and the relevant Practice Note issued by Bursa Securities, all Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities. The Directors are also aware of their duty to undergo appropriate training from time to time to ensure that they be better equipped to carry out their duties as Directors. The Board is mindful therefore of the need to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

During the financial year ended 30 June 2008, various members of the Board have attended the following training programmes and seminars:

- Corporate Social Responsibility – The 'Bottom Line' Impact in Malaysia
- Guidance Standard on Social Responsibility
- Social Responsibility (SR) ISO 26000
- 13th Asia Pacific Retailers Convention & Exhibition, Tokyo

The third programme was a full-day session conducted in-house.

Whenever the need arises, the Company provides briefings of new recruits to the Board, to ensure they have a comprehensive understanding on the operations of the Group and the Company.

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 page 19 for the Audit Committee report.

SECTION 2: 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 accommodates 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:-

(i) 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;

(ii) various announcements made to the Bursa Securities, which include announcements on quarterly results;

(iii) the Company website at http://www.padini.com;

(iv) regular meetings with research analysts and fund managers to give them a better understanding of the business conducted by the Group in particular, and of the industry in which the Group's business operates, in general; and

(v) participation in surveys and research conducted by professional organisations as and when such requests arise.

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 provides 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.

SECTION 3: ACCOUNTABILITY AND AUDIT

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 Bursa Securities. The Directors are responsible to ensure the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards. A statement by the Directors of their responsibilities in preparing the financial statements is set out separately on page 28 of the Annual Report.

Relationship with Auditors

The Board established formal and transparent arrangements for maintaining an appropriate relationship with the Group's Auditors, both internal and external. Whenever the need arises, the Auditors would highlight to both the Audit Committee and the Board, matters, especially those pertaining to the area of risk management, which would require their attention and response.

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 2008.

Composition of the Audit Committee

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

i. En. Sahid bin Mohamed Yasin (Independent Non-Executive Director; Chairman)
ii. Dato' Zulkifli bin Abdul Rahman (Independent Non-Executive Director; Member)
iii. Mr. Cheong Chung Yet (Executive Director; Member)
iv. Datuk Dr. Abdullah bin Abdul Rahman (Independent Non-Executive Director; Member)

En. Sahid is redesignated as the Audit Committee Chairman, taking over from Dato' Zulkifli, effective from 25 October 2007.

Terms of Reference of Audit Committee

*The following new terms of reference was adopted by the Board on the 27 February 2008. However, Bursa Securities compliance date for items indicated as * is by 31 January 2009.*

Terms of Membership

The Audit Committee shall be appointed by the Board of Directors amongst its members and consist of at least three (3) members, of whom all must be Non-Executive Directors with a majority of them being Independent Directors.*

The Committee shall include one member who is a member of the Malaysian Institute of Accountants ("MIA"); or if he is not a member of the MIA, he must have at least three (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; or he must hold a degree/master/doctorate in accounting or finance and have at least 3 years' post qualification experience in accounting or finance; or he must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation or fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

In the event of any vacancy in the Audit Committee resulting in the non-compliance with the Listing Requirements of Bursa Securities, the Board shall appoint a new member within three (3) months.

The Board of Directors shall review the term of office and the performance of an Audit Committee and each of its members at least once in every three (3) years.

No alternate Director shall be appointed as a member of the Audit Committee.

Meetings and Quorum of the Audit Committee

In order to form a quorum in respect of a meeting of the Audit Committee, the majority of the members present must be independent directors. The Company Secretary shall act as secretary of the Audit Committee.

The Audit Committee met five (5) times during the financial year ended 30 June 2008. The details of the attendance of the meetings are disclosed under the heading 'Attendance of Audit Committee Meetings' on page 21 of this Annual Report.

Terms of Reference of Audit Committee (Cont'd)

The Audit Committee may require the attendance of any management staff from the Finance/Accounts Department or other departments deemed necessary together with a representative or representatives from the external auditors and/or internal auditors. The Audit Committee shall also meet with the external auditors without executive Board members present at least once a year. In an Audit Committee Meeting held on 24 October 2007, the Audit Committee had met with the Group's Finance Manager and representatives from both the external and internal auditors without executive Board members present.

In all 5 meetings, the Group Finance Manager was present to report on the results of the Group as well as to answer questions posed by the Audit Committee in relation to the results to be announced. During four other Audit Committee meetings, representatives from the Internal Auditors had also been present to provide updates on the progress of internal audit work that have been conducted to date, and to also provide comments and recommendations, where applicable to improve the risk management framework supporting the activities of the Group.

In any event, should the external auditors request, the Chairman of the Audit Committee shall convene a meeting of the committee to consider any matter the external auditors believe should be brought to the attention of the Director or shareholders.

Functions of the Audit Committee

The duties and responsibilities of the Audit Committee include the following:-

i To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;

ii To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

iii To discuss with the external auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors.

iv To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment.

v To review the quarterly and year-end financial statements of the Board, focusing particularly on:
- Any changes in the accounting policies and practices;
- Significant adjustments arising from the audit;
- The going concern assumption; and
- Compliance with accounting standards and other legal requirements.

vi To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management where necessary);

vii To review the external auditor's management letter and the management's response;

viii To do the following in relation to the internal audit function
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review 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;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

ix To consider any related party transactions that may arise within the Company or the Group;

x To consider the major findings of internal investigations and the management's response;

xi To consider other topics as defined by the Board.

Terms of Reference of Audit Committee (Cont'd)

Rights of the Audit Committee

The Audit Committee has ensured that it shall, wherever necessary and reasonable for the performance of its duties and in accordance with a procedure determined by the Board:-

i have authority to investigate any matter within its terms of reference;
ii have the resources which are required to perform its duties;
iii have full and unrestricted access to any information pertaining to the listed issuer;
iv have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
v be able to obtain independent professional or other advice; and
vi be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Procedure of Audit Committee

The Audit Committee regulates its own procedures by:-

i the calling of meetings;
ii the notice to be given of such meetings;
iii the voting and proceedings of such meetings;
iv the keeping of minutes; and
v the custody, protection and inspection of such minutes.

Review of the Audit Committee

The Board of Directors shall ensure that the term of office and performance of the Audit Committee and each of its members are being reviewed at least once in every three years to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.

Attendance of Audit Committee Meetings

The details of attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 30 June 2008 are as follows:-

Directors	*Meetings Attended by the Directors / Total Number of Meetings held During the Financial Year Ended 30 June 2008*	*% of Attendance*
En. Sahid bin Mohamed Yasin	5/5	100
Dato' Zulkifli bin Abdul Rahman	4/5	80
Mr. Cheong Chung Yet	3/5	60
Datuk Dr. Abdullah bin Abdul Rahman	5/5	100

Terms of Reference of Audit Committee (Cont'd)

Activities Undertaken By Audit Committee

The activities of the Audit Committee during the financial year ended 30 June 2008 include the following:-

i review the Group's year end audited financial statements presented by the external auditors and recommend the same to the Board for approval;

ii review the quarterly financial result announcements;

iii review audit plan of internal and external auditors;

iv review related party transactions within the Group;

v review external auditor's management letter and management's response;

vi review of the internal audit reports submitted by the internal auditors and report the findings & recommendations to the Board;

vii review the effectiveness of the Group's system of internal control;

viii review the Company's compliance with Listing Requirements of Bursa Securities, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements; and

ix consider and recommend to the Board for approval the audit fees payable to internal and external auditors.

Nomination Committee

The Board does not consider it necessary to establish a Nomination Committee currently as the composition of the Board is relatively stable. However, a Nomination Committee will be established shall the need arise.

Remuneration Committee

The Board also does not consider it necessary to establish a Remuneration Committee currently. All Executive Directors have contracts of employment with the Company. Therefore, establishing a Remuneration Committee would not serve any purpose. However, a Remuneration Committee will be established shall the need arise.

The Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. However, the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide reasonable and not absolute assurance against material misstatement and losses. The internal control system covers not only financial controls but operational and compliance controls, and risk management.

The Board has outsourced the internal audit function of the Group to an independent external party. The internal auditors are to assist and advise the Audit Committee on matters relating to the internal audit function.

The Board has considered the system of internal control in operation during the year and the key elements of the system are as follows:-

Risk Assessment and Control Activities

The Board and management are responsible for the ongoing identification, evaluation and managing of significant risks. A 3-year audit plan was adopted following the risk assessment exercise to continuously review the effectiveness of the Group's system of internal control and mitigate risks including financial, operational and compliance risks. Based on the risk assessment results, the internal auditors focused on areas of significant risks to the Group. Reviews were conducted on these areas and the results of these reviews including comments from management, were reported to the Audit Committee periodically. The Board and management are working towards ensuring completion of corrective actions in response to recommendations highlighted in the audit reports. Areas reviewed as at to date include:-

Financial Year		Audit Areas
2006	i	Human Resources
	ii	Field Counselor
	iii	Merchandising
	iv	Branding
2007	v	Inventory Management
	vi	Finance & Accounting
	vii	Branding
	viii	Warehousing & Logistics
2008	ix	Risk Facilitation
	x	MIS/EDP - Inventory

Communication and Information and Monitoring

In reviewing the adequacy and integrity of the system of internal control, the Board receives relevant reports on financial performance of the Group at periodic Board meetings. The involvement of executive directors in the day-to-day operations of the Group also enables monitoring of control procedures at operational level.

The effectiveness of the system of internal control is also monitored on an ongoing basis by the Audit Committee, who receives reports from the internal auditors.

Review of Internal Control Statement by the External Auditors

The external auditors have reviewed the Statement on Internal Control intended to be included in the annual report for the financial year ended 30 June 2008 in accordance with the Terms of Engagement dated 2 July 2002 and Recommended Practice Guide 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control ("RPG 5"). The review has been conducted to assess whether the Statement on Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of the system of internal control for the Group.

Based on the review, nothing has come to attention that causes the external auditors to believe that the Statement on Internal Control intended to be included in the annual report is inconsistent with their understanding of the process the Board Directors have adopted in the review of the adequacy and integrity of internal control of the Group.

Datuk DrAbdullah bin Abdul Rahman
(Chairman of the Board, Member of the Audit Committee, Independent Non-Executive Director)

Aged 63 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 Certificatein 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 also a director in the following public company:

1. Tracoma Holdings Berhad

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

Dato' Zulkifli bin Abdul Rahman
(Chairman of the Audit Committee - *redesignated as Member on 25 October 2007*, Independent Non-Executive Director)

Aged 72 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, healso 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 company :

1. Nikko Electronics Bhd

For the financial year under review, he has attended 4 out of 5 meetings of the Board of Directors.

Yong Pang Chaun
(Managing Director)

Aged 57 of Malaysian nationality, he was first appointed to the Board on 26 March 1992.

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

After completing his secondary education, he joined a textile merchant in Singapore where he gained considerable experience in the textile trade. Returning to Malaysia several years later, he set up the Company's first subsidiary in 1971 to manufacture ladies fashion. From there, other businesses were set up and since then he has always set the strategies for the development of the Group. The 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 5 meetings of the Board of Directors.

Chan Kwai Heng
(Executive Director)

Aged 56 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. He also has an European MBA from the Paris Graduate School of Management, which he obtained in June of 2003.

From 1975 and up till 1977, he has worked 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 5 meetings of the Board of Directors.

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

Aged 42 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 4 out of 5 meetings of the Board of Directors.

Chong Chin Lin
(Executive Director)

Aged 55 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 5 meetings of the Board of Directors.

Yong Lai Wah
(Executive Director)

Aged 58 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 all 5 meetings of the Board of Directors.

Sahid bin Mohamed Yasin
(Member of the Audit Committee - redesignated as Chairman on 25 October 2007, Independent Non-Executive Director)

Aged 59 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 postgraduate 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 5 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, none of the Directors above has any family relationship with one another.

Yong Pang Chaun, Chong Chin Lin and Yong Lai Wah are the major shareholders in the Company by virtue of their interest in Yong Pang Chaun Holdings Sdn Bhd which owns a 41.04% interest in the shares in the Company as at 30 June 2008.

(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.

Directors' Responsibility Statement

in Respect of the Annual Audited Financial Statements

Pursuant to paragraph 15.27 (a) of the Listing Requirements of Bursa Malaysia Securities Berhad, and as required by Companies Act 1965, the Directors are responsible for the preparation of 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 flows for the financial year ended.

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

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

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

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 2008.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Equity holders of the Company	41,715	35,418
Minority interests	35	-
	41,750	35,418

DIVIDENDS

The dividends declared, paid and payable by the Company since 30 June 2007 are as follows:-

	RM'000
In respect of the financial year ended 30 June 2007	
First interim dividend of 5 sen on 65,164,000 ordinary shares less 27% tax, paid on 8 February 2007	2,378
Second interim dividend of 5 sen on 65,504,700 ordinary shares less 27% tax, paid on 9 May 2007	2,391
Special interim dividend of 10 sen on 65,569,600 ordinary shares less 27% tax, paid on 29 June 2007	4,787
Final dividend of 5 sen on 131,581,900 ordinary shares less 26% tax, paid on 13 March 2008	4,869
In respect of the financial year ended 30 June 2008	
First interim dividend of 10 sen on 131,581,900 ordinary shares less 26% tax, paid on 8 August 2008	9,737

The Directors recommend a final dividend in respect of the current financial year of 8 sen per share, less income tax at 25%, subject to the approval of members at the forthcoming Annual General Meeting.

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 Company increased its issued and paid-up share capital from RM65,590,400 to RM65,790,950 by the issuance and allotment of 401,100 new ordinary shares of RM0.50 each for cash under the Company's Employees' Share Option Scheme ("ESOS") at the following exercise prices:

Number of ordinary shares	Exercise price *
21,000	RM0.53
11,200	RM0.63
115,000	RM1.16
33,000	RM0.93
220,900	RM1.65

* Price after adjustment for share split

The new issued shares rank pari-passu with the then existing ordinary shares except that they will not qualify for any dividend or distribution declared to members on the Register of Members and Record of Depositors as at the relevant books' closing date which precedes that date of allotment of the new ordinary shares or option exercise date.

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

At the Extraordinary General Meeting held on 18 June 2007, the Company obtained the shareholders' approval to undertake a share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each ("Share Split"). The shares, so split, shall upon allotment and issue, rank pari passu in all respects amongst themselves.

The Share Split was completed on 9 July 2007.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS was 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 or an eligible director who 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, 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 expired on 2 October 2007. The options granted was exercisable by the grantee in multiples of 1,000 shares until 27 August 2003 whereby the ESOS Bye-Laws was amended to allow employees to exercise their granted options in multiples of 100 shares in the following manners:

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (Cont'd)

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 (in multiples of 100 shares)	Year 1	Year 2	Year 3	Year 4	Year 5
1 – 19	100%	-	-	-	-
20 – 39	50%	50%	-	-	-
40 – 99	25%	25%	25%	25%	-
100 and above	20%	20%	20%	20%	20%

(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.

The movements in the options to take up unissued new ordinary shares at par value and the option prices at which the employees were entitled to exercise their options during the financial year ended 30 June 2008 were as follows:-

Date of offer	Option price RM	Balance at 1.7.2007	Adjusted for share split	Balance after share split
10.10.2002	1.06	13,500	13,500	27,000
08.08.2003	1.26	8,750	8,750	17,500
04.10.2004	2.31	77,000	77,000	154,000
10.10.2005	1.85	31,500	31,500	63,000
10.10.2006	3.30	143,800	143,800	287,600
		274,550	274,550	549,100

Date of offer	Option price # RM	Balance after share split	Exercised	Lapsed*	Balance at 30.6.2008
10.10.2002	0.53	27,000	(21,000)	(6,000)	-
08.08.2003	0.63	17,500	(11,200)	(6,300)	-
04.10.2004	1.16	154,000	(115,000)	(39,000)	-
10.10.2005	0.93	63,000	(33,000)	(30,000)	-
10.10.2006	1.65	287,600	(220,900)	(66,700)	-
		549,100	(401,100)	(148,000)	-

* Due to resignation or offers not taken up (scheme ended on 2 October 2007).
# After adjustment for share split.

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
Chong Chin Lin
Chan Kwai Heng
Sahid bin Mohamed Yasin
Cheong Chung Yet

In accordance with Section 129(2) of the Companies Act 1965, Dato' Zulkifli bin Abdul Rahman, who is above seventy years of age, retires from the Board under Section 129(6) of the Act.

In accordance with the Company's Articles of Association, Mr. Yong Pang Chaun and Ms. Yong Lai Wah retire by rotation, 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 and share options of the Company and related corporations were as follows :-

	Number of ordinary shares of RM1.00 each	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2007	**Adjusted for share split**	**Bought**	**Sold**	**Balance at 30.6.2008**
Direct interest in shares of the Company					
Yong Pang Chaun	150,000	150,000	-	-	300,000
Chong Chin Lin	201,999	201,999	-	-	403,998
Chan Kwai Heng	114,400	114,400	-	-	228,800
Cheong Chung Yet	117,399	117,399	-	-	234,798
Yong Lai Wah	9,200	9,200	-	(18,400)	-
Indirect interest in shares of the Company					
Yong Pang Chaun	27,202,400	27,202,400	-	-	54,404,800
Chong Chin Lin	27,150,401	27,150,401	-	-	54,300,802
Yong Lai Wah	27,000,401	27,000,401	-	-	54,000,802

Direct interest in shares of the subsidiary company

	Number of ordinary shares of RM1.00 each			
Vincci Ladies' Specialties Centre Sdn. Bhd.	**Balance at 1.7.2007**	**Bought**	**Sold**	**Balance at 30.6.2008**
Yong Lai Wah	5,000	-	(5,000)	-

By virtue of their interests in shares of the Company, Messrs. Yong Pang Chaun, Yong Lai Wah and Chong Chin Lin are deemed to be interested in shares of the subsidiary companies to the extent the Company has an interest.

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

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 any benefits which may arise from related party transactions as disclosed in Note 29 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.

AUDITORS

The auditors, Messrs. Peter Chong & Co. (formerly known as BKR Peter Chong), Chartered Accountants, have indicated their willingness to accept re-appointment.

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

DATUK DR. ABDULLAH BIN ABDUL RAHMAN
Director

YONG PANG CHAUN
Director

Date : 16 October 2008
Kuala Lumpur

Statement by Directors

Pursuant to Section 169 (15) of the Companies Act, 1965

We, **DATUK DR. ABDULLAH BIN ABDUL RAHMAN** and **YONG PANG CHAUN,** two of the Directors of **PADINI HOLDINGS BERHAD** state that, in the opinion of the Directors, the financial statements set out on pages 39 to 93 are drawn up in accordance with Financial Reporting Standards 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 as at 30 June 2008 and of the results and cash flow of the Group and the Company for the financial year ended on that date.

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

DATUK DR. ABDULLAH BIN ABDUL RAHMAN
Director

YONG PANG CHAUN
Director

Date : 16 October 2008
Kuala Lumpur

Statutory Declaration

Pursuant to Section 169 (16) of the Companies Act, 1965

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 39 to 93 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**)
TERRITORY this 16th day of October 2008) Before me

Report on the financial statements

We have audited the financial statements of **PADINI HOLDINGS BERHAD**, which comprise the balance sheets as at 30 June 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 93.

Directors' responsibilities for the financial statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group and the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 30 June 2008 and of their financial performances and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

Report on other legal and regulatory requirements (Cont'd)

(c) 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Peter Chong & Co.
(formerly known as BKR Peter Chong)
No. AF 0165
Chartered Accountants

Peter Chong Ton Nen
No. 394/03/10 (J/PH)
Partner of the Firm

Date : 16 October 2008
Kuala Lumpur

Consolidated Balance Sheet

AS at 30 June 2008

	Note	2008 RM'000	2007 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	70,748	50,317
Investment properties	5	1,681	1,740
Prepaid land lease payments	6	845	-
Investment	8	697	697
Deferred tax assets	9	473	859
Total non-current assets		74,444	53,613
Current assets			
Non-current assets held for sales	10	1,716	-
Inventories	11	116,113	64,041
Receivables	12	30,199	25,949
Tax assets	13	178	33
Short term investment	14	19,868	30,232
Deposits, cash and bank balances	15	21,796	21,866
Total current assets		189,870	142,121
TOTAL ASSETS		264,314	195,734
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	65,791	65,591
Reserves	17	103,687	76,750
		169,478	142,341
Minority interest		-	326
Total equity		169,478	142,667
LIABILITIES			
Non-current liabilities			
Borrowings	18	3,195	4,310
Deferred tax liabilities	9	19	39
Total non-current liabilities		3,214	4,349
Current liabilities			
Payables	19	60,757	39,290
Borrowings	18	25,002	3,847
Tax liabilities	13	4,796	4,753
Provision	20	1,067	828
Total current liabilities		91,622	48,718
Total liabilities		94,836	53,067
TOTAL EQUITY AND LIABILITIES		264,314	195,734

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

Consolidated Income Statement

For the financial year ended 30 June 2008

	Note	2008 RM'000	2007 RM'000
Revenue	21	383,306	316,866
Cost of sales		(192,353)	(163,719)
Gross profit		190,953	153,147
Other operating income		4,628	5,196
Selling and distribution costs		(106,113)	(89,517)
Administration expenses		(31,040)	(24,480)
Profit from operations	22	58,428	44,346
Finance costs	24	(769)	(339)
Profit before taxation		57,659	44,007
Taxation	13	(15,909)	(12,565)
Profit for the financial year		41,750	31,442
Attributable to:			
Equity holders of the Company		41,715	31,403
Minority interest		35	39
		41,750	31,442
Earnings per share of RM0.50 each (sen)	25		
- Basic		31.71	24.24
- Diluted		N/A	24.21

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2008

	Note	← Attributable to equity holders of the Company						→		
		Share capital RM'000	Share premium RM'000	Share options reserve RM'000	Currency translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 July 2006		63,586	1,195	42	(101)	-	54,279	119,001	305	119,306
Share options granted under ESOS		-	-	350	-	-	-	350	-	350
Issuance of shares pursuant to ESOS		2,005	2,153	(289)	-	-	-	3,869	-	3,869
Foreign exchange difference		-	-	-	(352)	-	-	(352)	-	(352)
Transfer from deferred tax liability		-	-	-	-	13	-	13	-	13
Realisation on changes in tax rate		-	-	-	-	(13)	13	-	-	-
Net expense recognised directly in equity		-	-	-	(352)	-	13	(339)	-	(339)
Profit for the financial year		-	-	-	-	-	31,403	31,403	39	31,442
Total recognised income and expense for the financial year		-	-	-	(352)	-	31,416	31,064	39	31,103
Dividends	26	-	-	-	-	-	(11,943)	(11,943)	-	(11,943)
Dividends paid to minority interest		-	-	-	-	-	-	-	(18)	(18)
At 30 June/ 1 July 2007		65,591	3,348	103	(453)	-	73,752	142,341	326	142,667

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

Consolidated Statement of Changes in Equity (cont'd)

For the financial year ended 30 June 2008

	Note	Share capital RM'000	Share premium RM'000	Share options reserve RM'000	Currency translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
		← Attributable to equity holders of the Company →								
Issuance of shares pursuant to ESOS		200	424	(78)	-	-	-	546	-	546
Reversal of ESOS reserve		-	-	(25)	-	-	25	-	-	-
Foreign exchange difference		-	-	-	(396)	-	-	(396)	-	(396)
Profit for the financial year		-	-	-	-	-	41,715	41,715	35	41,750
Dividends	26	-	-	-	-	-	(14,606)	(14,606)	-	(14,606)
Dividends paid to minority interest		-	-	-	-	-	-	-	(22)	(22)
Increase in equity interest in existing subsidiary company		-	-	-	-	-	(122)	(122)	(339)	(461)
At 30 June 2008		65,791	3,772	-	(849)	-	100,764	169,478	-	169,478

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

Consolidated Cash Flow Statement

For the financial year ended 30 June 2008

	Note	2008 RM'000	2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		57,659	44,007
Adjustments for:			
Allowance for doubtful debts		271	272
Amortisation of prepaid land lease payment		17	-
Bad debts written off		-	48
Depreciation of property, plant and equipment		12,410	8,046
Depreciation of investment properties		67	35
Interest expenses		769	339
Interest income		(1,472)	(1,747)
Inventories written down to net realisable value		2,544	732
Profit on disposal of property, plant and equipment		(8)	(74)
Property, plant and equipment written off		48	36
Provision for loyalty points		239	828
Share options granted under ESOS		-	350
Trademarks written off		-	1,248
Operating profit before working capital changes		72,544	54,120
Inventories		(54,616)	(13,376)
Receivables		(4,523)	(4,047)
Short term investment		495	1,202
Payables		11,730	16,785
Cash generated from operations		25,630	54,684
Dividends paid		(4,869)	(16,527)
Tax paid	13	(15,595)	(10,945)
Tax refund	13	-	40
Net cash generated from operating activities		5,166	27,252
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of additional share in a subsidiary company		(461)	-
Interest income received		977	545
Proceeds from disposal of property, plant and equipment		16	127
Purchase of investment properties		(1,723)	-
Purchase of prepaid land lease payments		(862)	-
Purchase of property, plant and equipment	27	(32,657)	(24,174)
Net cash used in investing activities		(34,710)	(23,502)

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

For the financial year ended 30 June 2008

	Note	2008 RM'000	2007 RM'000
CASH FLOW FROM FINANCING ACTIVITIES			
Changes to short term borrowings		21,143	1,880
Dividend paid to minority interest		(22)	(18)
Drawdown of term loan		-	420
Interest expenses paid		(769)	(447)
Proceeds from issuance of shares		546	3,869
Repayment of hire purchase obligations		(168)	(355)
Repayment of term loan		(1,175)	(1,076)
Net cash generated from financing activities		19,555	4,273
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(9,989)	8,023
Effect of exchange rate changes		(93)	(253)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		52,098	44,464
Effect of exchange rate changes		(352)	(136)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	28	41,664	52,098

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

Balance Sheet

AS at 30 June 2008

	Note	2008 RM'000	2007 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	30,559	31,800
Investment in subsidiary companies	7	91,959	88,118
Investment	8	560	560
Total non-current assets		123,078	120,478
Current assets			
Receivables	12	14,279	5,744
Tax assets	13	-	22
Short term investment	14	18,715	-
Deposits, cash and bank balances	15	321	145
Total current assets		33,315	5,911
TOTAL ASSETS		156,393	126,389
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	65,791	65,591
Reserves	17	76,184	55,026
Total equity		141,975	120,617
Non-current liability			
Borrowings	18	3,002	4,202
Current liabilities			
Payables	19	10,070	395
Borrowings	18	1,200	1,175
Tax liabilities	13	146	-
Total current liabilities		11,416	1,570
Total liabilities		14,418	5,772
TOTAL EQUITY AND LIABILITIES		156,393	126,389

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

Income Statement

For the financial year ended 30 June 2008

	Note	2008 RM'000	2007 RM'000
REVENUE	21	48,428	14,595
OTHER OPERATING INCOME		2,894	1,638
ADMINISTRATION EXPENSES		(2,189)	(1,896)
PROFIT FROM OPERATIONS	22	49,133	14,337
FINANCE COST	24	(263)	(158)
PROFIT BEFORE TAXATION		48,870	14,179
TAXATION	13	(13,452)	(3,904)
PROFIT FOR THE FINANCIAL YEAR		35,418	10,275

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

Statement of Changes in Equity

For the financial year ended 30 June 2008

	Note	Share capital RM'000	Share premium RM'000	Share options reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 July 2006		63,586	1,195	42	46,209	7,034	118,066
Share options granted under ESOS		-	-	350	-	-	350
Issuance of shares pursuant to ESOS		2,005	2,153	(289)	-	-	3,869
Profit for the financial year		-	-	-	-	10,275	10,275
Dividends	26	-	-	-	-	(11,943)	(11,943)
At 30 June/ 1 July 2007		65,591	3,348	103	46,209	5,366	120,617
Issuance of shares pursuant to ESOS		200	424	(78)	-	-	546
Reversal of ESOS reserve		-	-	(25)	-	25	-
Profit for the financial year		-	-	-	-	35,418	35,418
Dividends	26	-	-	-	-	(14,606)	(14,606)
At 30 June 2008		65,791	3,772	-	46,209	26,203	141,975

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

	Note	2008 RM'000	2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		48,870	14,179
Adjustments for:			
Depreciation of property, plant and equipment		1,302	640
Dividend income		(48,428)	(14,595)
Interest expenses		263	158
Interest income		(7)	(13)
Impairment loss on investment in subsidiary companies			
- additions		-	63
- reversal		-	(942)
Loss on short term investment		113	-
Property plant and equipment written off		1	-
Profit on disposal of property, plant and equipment		-	(1)
Share options granted under ESOS		-	350
Trademarks written off		-	50
Operating profit/ (loss) before working capital changes		2,114	(111)
Receivables		(9,135)	12,937
Payables		(62)	(64)
Short term investment		(113)	-
Cash (used in)/ generated from operations		(7,196)	12,762
Dividend paid		(4,869)	(16,527)
Tax paid	13	(13,284)	(3,941)
Tax refund	13	-	40
Net cash used in operating activities		(25,349)	(7,666)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of additional investment in subsidiary company		(461)	-
Dividend received		48,428	14,595
Interest income received		7	13
Purchase of property, plant and equipment	27	(62)	(10,316)
Proceeds from disposal of property, plant and equipment		-	1
Subscription for additional shares in subsidiary company		(2,780)	-
Net cash generated from investing activities		45,132	4,293

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

	Note	2008 RM'000	2007 RM'000
CASH FLOW FROM FINANCING ACTIVITIES			
Drawdown of term loan		-	420
Interest expenses paid		(263)	(266)
Proceeds from issuance of shares		546	3,869
Repayment of term loan		(1,175)	(1,076)
Net cash (used in)/ generated from financing activities		(892)	2,947
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		18,891	(426)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		145	571
CASH AND CASH EQUIVALENTS CARRIED FORWARD	28	19,036	145

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

1. GENERAL INFORMATION

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Bursa Malaysia Securities Berhad.

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

The principal place of business of the Company is at No. 19, Lot 115, Jalan U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The Board has authorised the issuance of the financial statements on 16 October 2008.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks and the overall risk management objective is to ensure the Group creates value for its shareholders whilst minimising the potential adverse effects on the performance. The Group does not actively use derivative financial instruments to hedge its risks and does not trade in financial instruments during the financial year.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk, market risk and liquidity risk.

Credit risk

The Group is exposed to credit risk mainly from trade receivables. They are subject to continuous review. At balance sheet date, the maximum exposure for the Group was represented by the carrying amount of the financial assets.

Foreign currency risk

The Group's foreign exchange risks comprise transaction risk which arises from day-to-day requirements to receive in currencies other than the local currency especially from the US Dollar, and structural foreign currency translation exposure arising from investment in foreign subsidiary companies which are denominated in the currencies where they are domiciled. The Group minimises its foreign currency exchange exposure by entering into derivative financial instruments such as foreign currency forward contract when the foreign exchange risk is assessed as high.

Interest rate risk

The Group is exposed to interest rate risk mainly from its fixed deposits and borrowings. There is no formal hedging policy in respect of interest rate exposure. The interest rate risk is monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Market risk

The Group is exposed to market risk of which the value of a financial instrument will fluctuate as a result of changes in the market prices. The risk of loss in value is minimised via adherence of qualifying criteria before making the investment and by continuous monitoring of the performance.

Liquidity risk

The Group practices prudent liquidity risk management by maintaining sufficient cash and committed credit facilities to meet the Group's operating and financial requirements for the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements of the Group and of the Company comply with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted the new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and Issue Committee ("IC") Interpretations as fully described in Note 3.2.

The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and all values are rounded to the nearest thousand (RM'000) unless otherwise indicated.

3.2 Changes in accounting policies and effects arising from adoption of new and revised FRSs, Amendments to FRSs and IC Interpretations

At the beginning of the financial year, the Company had adopted the following new and revised FRSs, Amendments to FRSs and IC Interpretations:

		Effective dates
FRS 117	Leases	1 October 2006
FRS 124	Related party disclosures	1 October 2006
FRS 107	Cash flows statements	1 July 2007
FRS 112	Income taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 134	Interim financial reporting	1 July 2007
FRS 137	Provision, contingent liabilities and contingent assets	1 July 2007
Amendment to FRS 121	The effects of changes in foreign exchange rates - Net investment in a foreign operation	1 July 2007

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Changes in accounting policies and effects arising from adoption of new and revised FRSs, Amendments to FRSs and IC Interpretations (Cont'd)

However, the following FRSs and IC Interpretations have not been adopted by the Group and the Company as they are not relevant to the Group's and the Company's operations:

		Effective dates
FRS 6	Exploration for evaluation of mineral resources	1 January 2007
Amendment to FRS 119_{2004}	Employee benefits - actuarial gains and losses, group plans and disclosures	1 January 2007
FRS 111	Construction contracts	1 July 2007
FRS 120	Accounting for government grants and disclosure of government assistance	1 July 2007
FRS 126	Accounting and reporting by retirement benefits plans	1 July 2007
FRS 129	Financial reporting in hyperinflationary economies	1 July 2007
IC Interpretation 1	Changes in existing decommissioning, restoration and similar liabilities	1 July 2007
IC Interpretation 2	Members' shares in co-operative entities and similar instruments	1 July 2007
IC Interpretation 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	1 July 2007
IC Interpretation 6	Liabilities arising from participating in a specific market-Waste electrical and electronic equipment	1 July 2007
IC Interpretation 7	Applying the restatement approach under FRS 129_{2004} Financial reporting in hyperinflationary economies	1 July 2007
IC Interpretation 8	Scope of FRS 2	1 July 2007

The adoption of the above new or revised FRSs does not result in substantial changes to the Group's and the Company's policies other than as disclosed below:

FRS 117: Leases

Prior to 1 July 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land elements and buildings elements of a lease are to be classified separately. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payments represent prepaid land lease payments and are amortised on a straight-line basis over the lease term.

FRS 124: Related party disclosures

FRS 124 expands the definition of related party and adds new disclosure requirements. The adoption of FRS 124 will only impact the format and extent of disclosures presented in the financial statements.

The Group and the Company have not early adopted the deferred FRS 139: Financial Instruments: Recognition and Measurement and by virtue of the exemption provided for in FRS 139, the possible impact of applying the standard, if any, need not be disclosed.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Significant accounting estimates and judgements

Preparation of the financial statements involved making certain estimates, judgements and assumptions concerning the future. They affect the accounting policies applied, amounts of assets, liabilities, income and expenses reported and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in these estimates and assumptions by management may have an effect on the balances as reported in financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portion could be sold separately (or leased out separately under a finance lease), the Group would account for the portion separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(ii) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on assessment of recoverability. Whilst management's judgement is guided by the past experiences, judgement is made about the future recovery of debts.

(iii) Allowance for inventories

The Group reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, the Group conducts physical counts on their inventories on a periodic basis in order to determine whether an allowance is required to be made.

(iv) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 3.4 (c). The carrying amount of the Group's property, plant and equipment at 30 June 2008 was as disclosed in Note 4. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Significant accounting estimates and judgements (Cont'd)

(v) Depreciation of investment properties

The Group depreciates the leasehold buildings, over their estimated useful lives using the straight-line method. Management estimates the useful lives of these properties to be 50 to 88 years.

(vi) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

(vii) Provisions

The Group recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each balance sheet date and adjusted to reflect the Group's current best estimate.

(viii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.4 Summary of significant accounting policies

(a) Subsidiary companies and basis of consolidation

(i) Subsidiary companies

Subsidiary companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the balance sheet date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(a) Subsidiary companies and basis of consolidation (Cont'd)

(ii) Basis of consolidation (Cont'd)

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiary companies are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. It is measured at the minorities' share of the fair value of the subsidiary companies' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiary companies' equity since then.

(b) Investment

Investment in subsidiary companies 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.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

Investment in highly liquid investment, which are held for short term liquidity purposes, are stated at the market value. An increase or decrease in the carrying value of these investments is taken to the income statement.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(c) Property, plant and equipment and depreciation (Cont'd)

Certain property, plant and equipment of the Group have not been revalued since they were first revalued in 1982. The Directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provision, these assets continue to be stated at their 1982 valuation less accumulated depreciation.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work in progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the following estimated useful lives:

	Number of years
Buildings	50
Motor vehicles	5
Furniture and fixtures, office equipment, tools and equipment	3 – 5

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the income statement.

(d) Investment properties

Investment properties are properties which are held or owned to earn rental income or for capital appreciation or for both. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the investment properties. The estimated useful lives of the buildings range from 50 to 88 years.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statement in the year in which they arise.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(e) Inventories

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

Cost is determined using the first-in, first-out basis. 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 comprises raw materials, direct labour, other direct costs and appropriate proportion of production overheads.

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

(f) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated on an annual basis or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the income statement in the period in which it arises. Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(g) Receivables

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.

(h) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(i) Interest-bearing borrowings

All bank borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest method.

(j) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(k) Employee benefits

Short term employee benefits

Wages, salaries, bonuses and social contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement. Absences such as sick leaves are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contribution for the local employees to the state pension scheme, the Employees Provident Fund ("EPF"). Overseas subsidiary companies make contributions to respective countries' Statutory Pension Scheme. Such contributions are recognised as an expense in the income statement as incurred.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(k) Employee benefits (Cont'd)

Share-based compensation

The Company's Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(l) Leases

Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

Finance lease

Assets acquired by way of hire purchase or finance lease are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(l) Leases (Cont'd)

Finance lease (Cont'd)

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 3.4 (c).

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Lease of land

Prepaid land lease payments on leasehold land are stated at surrogate cost less accumulated amortisation and any impairment loss. The policy for the recognition and measurement of impairment losses are in accordance with Note 3.4 (f).

Land held on long lease is being a lease with an unexpired period of fifty years or more and less than fifty years is described as short lease.

The lease payments are amortised on a straight-line basis over the lease term of 50 years.

(m) Taxation and deferred taxation

Income tax on the results for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax asset and liability are accounted for using the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient future taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient future taxable profit will be available, such reductions will be reversed.

(n) 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 transactions will flow to the companies in the Group.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(n) Revenue recognition (Cont'd)

Other revenues

Other revenues are recognised to the extent that it is probable that the economic benefits will flow to the companies in the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before other revenues are recognised:

Rental income	-	on an accrual basis in accordance with the substance of the relevant agreement unless collectability 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 unless collectablity is in doubt.
Interest income	-	on an accrual basis (taking into account the effective yield on the assets) unless collectability is in doubt.
Membership fee	-	on cash receipt basis.
Commission income	-	measured at the fair value of the consideration receivable unless collectability is in doubt.
Master licence fee	-	on an accrual basis in accordance with the substance of the relevant agreement unless collectability is in doubt.

(o) Foreign currencies

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the income statement.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(o) Foreign currencies (Cont'd)

Foreign currency transactions (Cont'd)

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in the income statement for the period. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in the income statement in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(q) Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one company and a financial liability or equity instrument of other entities.

Financial instruments carried on the balance sheet include cash and cash equivalents, investment, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(q) Financial instruments (Cont'd)

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(r) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(s) 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 change in value.

(t) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

These notes form part of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Summary of significant accounting policies (Cont'd)

(u) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classifications as held for sale, the measurements of the non-current assets (or all the assets and liabilities in a disposal group) are brought up-to-date in accordance with applicable FRSs. Then, on initial classifications as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the income statement.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resale.

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These notes form part of the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM'000	Workshops RM'000	Motor vehicles RM'000	Furniture and fixtures RM'000	Office equipment RM'000	Tools and equipment RM'000	Total RM'000
Net carrying amounts at 1 July 2007	28,377	-	1,331	12,823	3,526	4,260	50,317
Additions	20	1,062	354	20,489	2,798	8,174	32,897
Disposals	-	-	(1)	-	(7)	-	(8)
Written off	-	-	-	(39)	(5)	(4)	(48)
Depreciation charge	(352)	(33)	(574)	(8,304)	(1,374)	(1,773)	(12,410)
Effect of exchange rate changes	-	1	-	-	(1)	-	-
Net carrying amounts at 30 June 2008	28,045	1,030	1,110	24,969	4,937	10,657	70,748
At 30 June 2008							
Cost	29,778	1,062	4,471	62,906	11,340	15,374	124,931
Accumulated depreciation	(1,733)	(33)	(3,361)	(37,937)	(6,402)	(4,717)	(54,183)
Effect of exchange rate changes	-	1	-	-	(1)	-	-
Net carrying amounts	28,045	1,030	1,110	24,969	4,937	10,657	70,748
At 30 June 2007							
Cost	29,758	-	4,123	55,807	10,151	9,393	109,232
Accumulated depreciation	(1,381)	-	(2,792)	(42,984)	(6,625)	(5,133)	(58,915)
Net carrying amounts	28,377	-	1,331	12,823	3,526	4,260	50,317

These notes form part of the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Freehold land and buildings RM'000	Motor vehicles RM'000	Furniture and fixtures RM'000	Office equipment RM'000	Tools and equipment RM'000	Total RM'000
Net carrying amounts at 1 July 2007	27,539	-	2,942	1,130	189	31,800
Additions	19	-	20	1	22	62
Written off	-	-	-	(1)	-	(1)
Depreciation charge	(328)	-	(641)	(285)	(48)	(1,302)
Net carrying amounts at 30 June 2008	27,230	-	2,321	845	163	30,559
At 30 June 2008						
Cost	28,613	107	3,404	1,878	435	34,437
Accumulated depreciation	(1,383)	(107)	(1,083)	(1,033)	(272)	(3,878)
Net carrying amounts	27,230	-	2,321	845	163	30,559
At 30 June 2007						
Cost	28,594	107	4,359	2,612	597	36,269
Accumulated depreciation	(1,055)	(107)	(1,417)	(1,482)	(408)	(4,469)
Net carrying amounts	27,539	-	2,942	1,130	189	31,800

These notes form part of the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
(i) Assets carried at valuation less accumulated depreciation:				
- freehold buildings	815	838	-	-
Had these assets been carried at cost less accumulated depreciation:				
- freehold buildings	244	251	-	-

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

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
(ii) Assets pledged as securities for banking facilities (Note 18):				
- freehold land and buildings	15,413	15,632	15,413	15,632
(iii) Assets held under hire purchase instalment plan:				
- motor vehicles	361	501	-	-
(iv) Title deeds to the following land and buildings have yet to be issued by the relevant authorities:				
- freehold land and buildings	5,706	5,730	4,892	4,892

5. INVESTMENT PROPERTIES

Group	Long-term leasehold land and buildings RM'000	Workshops RM'000	Total RM'000
Net carrying amounts as at 1 July 2007	1,740	-	1,740
Addition	-	1,723	1,723
Depreciation charge	(24)	(43)	(67)
Reclassified to non-current assets held for sale (Note 10)	(1,716)	-	(1,716)
Effect of exchange rate changes	-	1	1
Net carrying amounts as at 30 June 2008	-	1,681	1,681

These notes form part of the financial statements.

5. INVESTMENT PROPERTIES (Cont'd)

Group	Long-term leasehold land and buildings RM'000	Workshops RM'000	Total RM'000
At 30 June 2008			
Cost	-	1,723	1,723
Accumulated amortisation	-	(43)	(43)
Effect of exchange rate changes	-	1	1
Net carrying amounts	-	1,681	1,681
At 30 June 2007			
Cost	2,237	-	2,237
Accumulated amortisation	(497)	-	(497)
Net carrying amounts	1,740	-	1,740

The investment property held as at year end represents the workshops leased out, located at Kowlong, Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong").

The Directors are of the opinion that the carrying amount of the above investment property approximates the fair value.

6. PREPAID LAND LEASE PAYMENTS

	Group RM'000
Addition	862
Current amortisation	(17)
Net carrying amounts as at 30 June 2008	845
At 30 June 2008	
At cost	862
Accumulated amortisation	(17)
Net carrying amounts	845

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2008 RM'000	2007 RM'000
Unquoted shares		
At cost	6,341	2,500
At valuation	99,281	99,281
	105,622	101,781

These notes form part of the financial statements.

7. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Unquoted shares (Cont'd)	**Company 2008 RM'000**	**Company 2007 RM'000**
Less: Accumulated impairment losses		
At 1 July	13,663	14,542
Additions	-	63
Reversal	-	(942)
At 30 June	(13,663)	(13,663)
Net carrying amount	91,959	88,118

The investment in subsidiary companies had been revalued by the Directors based on the net assets value of the subsidiary companies as at 30 June 2006 and the revalued amount is carried as surrogate cost.

All subsidiary companies were incorporated in Malaysia except for Padini International Limited which was incorporated in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). Details of the subsidiary companies are as follows:-

Subsidiary companies of the Company	**Gross equity interest 2008 %**	**Gross equity interest 2007 %**	**Principal activities**
Vincci Ladies' Specialties Centre Sdn. Bhd. ("Vincci")	100	99.69	Dealers of ladies' shoes and accessories.
Padini Corporation Sdn. Bhd. ("Padini Corporation")	100	100	Dealers of garments.
Seed Corporation Sdn. Bhd. ("Seed")	100	100	Dealers of garments and ancillary products.
Yee Fong Hung (Malaysia) Sendirian Berhad ("Yee Fong Hung")	100	100	Dealers of garments and ancillary products.
Mikihouse Children's Wear Sdn. Bhd. ("Mikihouse")	100	100	Dealers of children's garments, maternity wear and accessories.
Vincci Holdings Sdn. Bhd. ("Vincci Holdings")	100	100	Dormant.
Padini Dot Com Sdn. Bhd. ("Padini Dot Com")	100	100	Provision of management services.
The New World Garment Manufacturers Sdn. Bhd. ("The New World Garment")	100	100	Dormant.
Padini International Limited *	100	100	Dealers of garments.

* Audited by other firms of auditors.

These notes form part of the financial statements.

8. INVESTMENT

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Quoted shares in Malaysia, at cost	60	60	-	-
Less : Impairment loss	(47)	(47)	-	-
	13	13	-	-
Unquoted shares in Malaysia, at cost	560	560	560	560
Club membership, at cost	124	124	-	-
	697	697	560	560
Quoted shares, at market value	30	51		

Included in unquoted investment is an investment in Cassardi Sdn. Bhd., in which the Company has 40% equity interest. The investment is classified as a simple investment and is shown at cost. No equity accounting has been applied despite a 40% equity interest as the Group does not have control nor influence in the investee company, no representation on the investee company's board of directors, no participation in any policy making processes, no material transaction between the Group and the investee company, no interchange of managerial personnel nor is there any provision of technical information to the investee company and vice versa.

9. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group	
	2008	2007
	RM'000	RM'000
Deferred taxation		
At 1 July	820	578
Recognised in equity	-	13
Recognised in the income statement (Note 13)	(366)	229
At 30 June	454	820
Presented after appropriate offsetting as follows:		
Deferred tax assets	473	859
Deferred tax liabilities	(19)	(39)
	454	820

These notes form part of the financial statements.

9. DEFERRED TAXATION (Cont'd)

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

Group	Balance at 1.7.2007 RM'000	Recognised in the income statement RM'000	Balance at 30.6.2008 RM'000
Deferred tax assets			
Surplus on revaluation	(106)	5	(101)
Depreciation claimed in excess of capital allowances	453	(310)	143
Provision for loyalty points	199	40	239
Accrued unconsumed leaves	181	(181)	-
Allowance for doubtful debts	132	60	192
	859	(386)	473
Deferred tax liabilities			
Capital allowances claimed in excess of depreciation	(39)	20	(19)
	820	(366)	454

Deferred tax assets of the companies in the Group are only recognised to the extent where it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The balance of deferred tax assets have not been recognised as it is not probable that sufficient future taxable profits will be available to offset against the following unrecognised deferred tax assets of these companies concerned.

Deferred tax assets have not been recognised in respect of the following:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Surplus on revaluation	(101)	(106)	-	-
Temporary differences between accounting depreciation and related capital allowances	(244)	476	48	-
Unused capital allowances	179	190	124	190
Unused tax losses	1,380	1,778	-	-
Provision for loyalty points	267	215	-	-
Accrued unconsumed leaves	-	203	-	-
Allowance for doubtful debts	191	132	-	-
	1,672	2,888	172	190
Less: Recognised as deferred tax assets	(473)	(859)	-	-
	1,199	2,029	172	190

These notes form part of the financial statements.

10. NON-CURRENT ASSETS HELD FOR SALE

	Group 2008 RM'000	Group 2007 RM'000
At cost		
Long term leasehold land and buildings (Note 5)	1,716	-

During the financial year, a subsidiary company has entered three sales and purchase agreement to dispose off these long-term leasehold land and buildings for a total consideration of RM2,400,000. These disposals have been completed as at the date of this report.

11. INVENTORIES

	Group 2008 RM'000	Group 2007 RM'000
At cost		
Raw materials	692	515
Completed garments, shoes and accessories	111,240	62,323
Food and beverage	23	10
	111,955	62,848
At net realisable value		
Raw materials	132	351
Completed garments, shoes and accessories	4,026	842
	116,113	64,041

12. RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables	13,134	13,759	-	-
Less: Allowance for doubtful debts				
At 1 July	(544)	(272)	-	-
Additions	(271)	(272)	-	-
At 30 June	(815)	(544)	-	-
	12,319	13,215	-	-
Other receivables and prepayment	4,834	1,161	54	519
Deposits				
- business premises	12,628	11,261	-	-
- others	418	312	73	74
Due from subsidiary companies - non-trade	-	-	14,152	5,151
	30,199	25,949	14,279	5,744

These notes form part of the financial statements.

12. RECEIVABLES (Cont'd)

The currency exposure profile of receivables is as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	25,691	23,078	14,279	5,744
US Dollar	901	1,292	-	-
Hong Kong Dollar	3,607	1,579	-	-
	30,199	25,949	14,279	5,744

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

13. TAXATION

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Net tax (liabilities)/assets at 1 July	(4,720)	(2,871)	22	25
Taxation charge for the financial year	(15,543)	(12,794)	(13,452)	(3,904)
Effect of exchange rate changes	50	40	-	-
Payment made during the financial year	15,595	10,945	13,284	3,941
Refund received during the financial year	-	(40)	-	(40)
Net tax (liabilities)/ assets at 30 June	(4,618)	(4,720)	(146)	22
Disclosed as:-				
Tax assets	178	33	-	22
Tax liabilities	(4,796)	(4,753)	(146)	-
	(4,618)	(4,720)	(146)	22

The taxation expenses comprise:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Based on results for the financial year	15,414	12,249	13,152	3,982
- Adjustment in respect of prior years	(566)	(97)	214	(78)
- Penalty	109	15	86	-
Hong Kong taxation	586	627	-	-
	15,543	12,794	13,452	3,904
Deferred taxation (Note 9)				
- Based on results for the financial year				
- Malaysian taxation	219	(134)	-	-
- Hong Kong taxation	14	(2)	-	-
- Adjustment in respect of prior years	133	(93)	-	-
	366	(229)	-	-
	15,909	12,565	13,452	3,904

These notes form part of the financial statements.

13. TAXATION (Cont'd)

Tax savings arising from utilisation of unused capital allowances and tax losses of the Group amounted to RM546,571 (2007: RM452,570).

Domestic income tax is calculated at the Malaysian statutory rate of 26% (2007: 27%) of the estimated assessable profit for the year where companies with a paid-up capital of less than RM2.5 million enjoy a lower tax rate of 20% for its first RM500,000 chargeable income. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26% effective year of assessment 2009. The computation of deferred tax as at 30 June 2008 has reflected these changes. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(i) Group's reconciliation of tax expense with accounting profit:

	2008 RM'000	2007 RM'000
Profit before taxation	57,659	44,007
Tax at the current income tax rate at 26% (2007: 27%)	14,991	11,882
Tax at different statutory income tax rate of certain subsidiary companies	(409)	(449)
Tax effects in respect of:		
- Depreciation of non-qualifying property, plant and equipment	1,845	1,256
- Tax savings from utilisation of unused capital allowances and tax losses	(66)	(379)
- Non-allowable expenses	757	906
- Non-taxable income	(492)	(570)
- Profit on disposal of property, plant and equipment not subject to income tax	-	(1)
- Deferred tax (liabilities)/ assets not recognised	(411)	37
- Crystallisation of deferred tax liability on revaluation surplus	(4)	(4)
Adjustment in respect of prior years		
- Income tax	(566)	(97)
- Deferred tax	133	(93)
Penalty	109	15
Effect of changes in tax rate	22	62
	15,909	12,565

(ii) Company's reconciliation of tax expense with accounting profit:

	2008 RM'000	2007 RM'000
Profit before taxation	48,870	14,179
Tax at the current income tax rate at 26% (2007: 27%)	12,706	3,828
Tax effects in respect of:		
- Impairment loss on investment in subsidiary companies		
- additions	-	17
- reversal	-	(254)
- Depreciation of non-qualifying property, plant and equipment	257	111
- Non-allowable expenses	111	280
- Non-taxable income	(1)	-
- Deferred tax assets not recognised	79	-
Adjustment in respect of prior years (Income tax)	214	(78)
Penalty	86	-
	13,452	3,904

These notes form part of the financial statements.

13. TAXATION (Cont'd)

(iii) The Group and the Company have the following which can be used to offset against future taxable profits:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unused capital allowances	494	729	494	729
Unused tax losses	4,926	6,839	-	-
	5,420	7,568	494	729

14. SHORT TERM INVESTMENT

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At market value				
Investment in unit trusts, in Malaysia	19,868	30,232	18,715	-

15. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Fixed deposits with licensed bank	24	30	-	-
Cash and bank balances	21,772	21,836	321	145
	21,796	21,866	321	145

Fixed deposits with licensed bank have been pledged to secure banking facilities of a subsidiary company and hence, are not available for general use.

The currency exposure profile of deposits, cash and bank balances is as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	17,632	15,188	321	145
Hong Kong Dollar	4,164	6,678	-	-
	21,796	21,866	321	145

These notes form part of the financial statements.

16. SHARE CAPITAL

Group/Company	2008 No. of shares '000	2007 No. of shares '000	2008 RM'000	2007 RM'000
Authorised:				
At 1 July	^100,000	^100,000	100,000	100,000
Adjustment made pursuant to Share Split	100,000	-	-	-
At 30 June	*200,000	^100,000	100,000	100,000

^ Ordinary shares of RM1.00 each
* Ordinary shares of RM0.50 each

Group/Company	2008 No. of shares '000	2007 No. of shares '000	2008 RM'000	2007 RM'000
Issued and fully paid:				
At 1 July	^ 65,591	^ 63,586	65,591	63,586
Adjustment made pursuant to Share Split	65,591	-	-	-
Exercise of ESOS	* 401	^ 2,005	200	2,005
At 30 June	* 131,583	^ 65,591	65,791	65,591

^ Ordinary shares of RM1.00 each
* Ordinary shares of RM0.50 each

During the financial year, the Company increased its issued and paid-up share capital from RM65,590,400 to RM65,790,950 by the issuance and allotment of 401,100 new ordinary shares of RM0.50 each for cash under the Company's Employees' Share Option Scheme ("ESOS").

At the Extraordinary General Meeting held on 18 June 2007, the Company obtained the shareholders' approval to undertake a share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each ("Share Split"). The shares, so split, shall upon allotment and issue, rank pari passu in all respects amongst themselves.

The Share Split was completed on 9 July 2007.

Details of share options exercised during the financial year and the exercise price are as follows:

Group/Company

2008 Option price	2008 No. of shares ('000)	2007 Option price	2007 No. of shares ('000)
RM0.53 *	21	RM1.06 ^	672
RM0.63 *	11	RM1.26 ^	54
RM1.16 *	115	RM2.31 ^	574
RM0.93 *	33	RM1.85 ^	389
RM1.65 *	221	RM3.30 ^	316
	401		2,005

^ Ordinary shares of RM1.00 each
* Ordinary shares of RM0.50 each

These notes form part of the financial statements.

16. SHARE CAPITAL (Cont'd)

Employees' Share Option Scheme

The Company's ESOS was 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 or an eligible director who 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, 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 was exercisable by the grantee in multiples of 1,000 shares until 27 August 2003 whereby the ESOS Bye-Laws was amended to allow employees to exercise their granted options in multiples of 100 shares in the following manners:

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 (in multiples of 100 shares)	Year 1	Year 2	Year 3	Year 4	Year 5
1 – 19	100%	-	-	-	-
20 – 39	50%	50%	-	-	-
40 – 99	25%	25%	25%	25%	-
100 and above	20%	20%	20%	20%	20%

(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.

These notes form part of the financial statements.

16. SHARE CAPITAL (Cont'd)

Employees' Share Option Scheme (Cont'd)

The movements in the options to take up unissued new ordinary shares of RM1.00 each and the option prices at which the employees were entitled to exercise their options during the financial year ended 30 June 2008 were as follows:-

Date of offer	Option price RM	Balance at 1.7.2007	Adjusted for share split	Balance after share split
10.10.2002	1.06	13,500	13,500	27,000
08.08.2003	1.26	8,750	8,750	17,500
04.10.2004	2.31	77,000	77,000	154,000
10.10.2005	1.85	31,500	31,500	63,000
10.10.2006	3.30	143,800	143,800	287,600
		274,550	274,550	549,100

Date of offer	Option price * RM	Balance after share split	Exercised	Lapsed#	Balance at 30.6.2008
10.10.2002	0.53	27,000	(21,000)	(6,000)	-
08.08.2003	0.63	17,500	(11,200)	(6,300)	-
04.10.2004	1.16	154,000	(115,000)	(39,000)	-
10.10.2005	0.93	63,000	(33,000)	(30,000)	-
10.10.2006	1.65	287,600	(220,900)	(66,700)	-
		549,100	(401,100)	(148,000)	-

* After adjustment for share split (scheme ended on 2 October 2007).
# Due to resignation or offers not taken up.

The fair values of the Company's shares at the exercise dates ranges from RM2.35 to RM2.94 per share (2007: RM2.17 to RM5.15). The total fair value at exercise date of shares issued is RM1,046,015 (2007: RM8,174,733).

The fair value of share options was estimated using Modified Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options are measured at their grant dates and the assumptions are as follows:

	2008	2007
Fair value of share options at the following grant date (RM):		
- 10 October 2006	-	0.68
Share price (RM)	-	3.72
Exercise price (RM)	-	3.30
Expected volatility (%)	-	29.08
Expected life (years)	-	0.92
Risk-free rate (%)	-	3.60
Expected dividend yield (%)	-	3.89

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No further features of the options granted were incorporated into the measurement of fair value.

These notes form part of the financial statements.

17. RESERVES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Share premium	3,772	3,348	3,772	3,348
Revaluation reserve	-	-	46,209	46,209
Share options reserve	-	103	-	103
Currency translation reserves	(849)	(453)	-	-
	2,923	2,998	49,981	49,660
Distributable				
Retained profits	100,764	73,752	26,203	5,366
	103,687	76,750	76,184	55,026

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013. Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend approximately RM10,800,000 out of its retained profits as at 30 June 2008. Any dividend paid in excess of this amount would result in a tax charge on the gross amount of dividend paid unless the Company opts for the single tier system.

18. BORROWINGS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Non-current				
Secured				
Hire purchase obligations	193	108	-	-
Term loan	3,002	4,202	3,002	4,202
	3,195	4,310	3,002	4,202
Current				
Secured				
Hire purchase obligations	152	165	-	-
Term loan	1,200	1,175	1,200	1,175
Unsecured				
Bankers' acceptance	23,150	2,507	-	-
Revolving credit	500	-	-	-
	25,002	3,847	1,200	1,175
	28,197	8,157	4,202	5,377

These notes form part of the financial statements.

18. BORROWINGS (Cont'd)

(i) The term loan is secured against certain property, plant and equipment of the Group as disclosed in Note 4 (ii).

The bankers' acceptance and revolving credit are secured by corporate guarantee given by the Company.

(ii) Interests are charged as follows:

Bankers' acceptance	-	Ranging from 4.07% to 4.15% (2007: 3.38% to 4.34%) per annum.
Hire purchase obligations	-	Implicit interest rate ranges from 4.32% to 4.70% (2007: 4.38% to 6.05%) per annum.
Term loan	-	Ranging from 4.03% to 4.06% (2007: 4.05% to 4.29%) per annum.
Revolving credit	-	Ranging from 4.36% to 4.48% per annum.

(iii) Hire purchase obligations

	Group	
	2008 RM'000	**2007 RM'000**
Minimum lease payments		
- not later than 1 year	164	174
- later than 1 year and not later than 5 years	209	110
	373	284
Less : Unexpired finance charges	(28)	(11)
	345	273
Present value of hire purchase obligations		
Payable as follows:		
- not later than 1 year	152	165
- later than 1 year and not later than 5 years	193	108
	345	273

(iv) The term loan at the end of the financial year is repayable as follows:

	Group/Company	
	2008 RM'000	**2007 RM'000**
Not later than 1 year	1,200	1,175
Between 1 to 2 years	1,275	1,200
Between 2 to 5 years	1,727	3,002
	4,202	5,377

These notes form part of the financial statements.

19. PAYABLES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Trade payables	38,050	31,884	-	-
Other payables and accruals	12,970	7,406	333	395
Dividends payable	9,737	-	9,737	-
	60,757	39,290	10,070	395

The currency exposure profile of payables is as follows:

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Ringgit Malaysia	58,572	36,732	10,070	395
US Dollar	1,345	1,363	-	-
Hong Kong Dollar	840	1,195	-	-
	60,757	39,290	10,070	395

Included in trade payables of the Group is advance payment received from customers against confirmed purchase orders amounted to RM1,393,258 (2007: RM1,400,334).

20. PROVISION

	Group 2008 RM'000	Group 2007 RM'000
Provision for loyalty points	1,067	828

The provision represents convertible loyalty points for voucher redemption against the Group's products.

It is expected that the provision will be utilised in the next financial year.

21. REVENUE

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Commission income	2,428	1,466	-	-
Dividend income	28	-	48,428	14,595
Sale of goods	380,850	315,400	-	-
	383,306	316,866	48,428	14,595

These notes form part of the financial statements.

22. PROFIT FROM OPERATIONS

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

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- statutory audit				
- current year	149	136	32	28
- under provision in prior year	1	11	2	3
- tax services	22	19	2	2
Allowance for doubtful debts	271	272	-	-
Amortisation of prepaid land lease payment	17	-	-	-
Bad debts written off	-	48	-	-
Depreciation of property, plant and equipment	12,410	8,046	1,302	640
Depreciation of investment properties	67	35	-	-
Directors' remuneration (Note 23)	2,947	2,878	100	100
Direct operating expenses of income generating investment property	26	34	-	-
Impairment loss on investment in subsidiary companies				
- additions	-	-	-	63
- reversal	-	-	-	(942)
Interest income	(1,472)	(1,747)	(7)	(13)
Inventories written down to net realisable value	2,544	732	-	-
Loss on short term investment	-	-	113	-
Management fee income	(140)	-	-	-
Profit on disposal of property, plant and equipment	(8)	(74)	-	(1)
Property, plant and equipment written off	48	36	1	-
Provision for loyalty points	239	828	-	-
Rental income	(103)	(125)	(2,882)	(679)
Realised (gain)/ loss on foreign exchange	(91)	197	-	-
Rental of equipment	936	506	-	-
Rental of motor vehicles	3	-	-	-
Rental of premises	47,409	35,791	-	-
Royalty income	(982)	(1,048)	-	-
Staff costs				
- Salary, allowance and bonus	52,003	42,817	-	-
- Employees Provident Fund	5,868	4,851	-	-
- Unconsumed leaves	118	1,203	-	-
- Share options granted under ESOS	-	350	-	350
- Other employee benefits	3,768	1,726	2	2
Trademarks written off	-	1,248	-	50

These notes form part of the financial statements.

23. DIRECTORS' REMUNERATION

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
- fees	100	100	100	100
- other emoluments	2,722	2,653	-	-
Director of a subsidiary company				
- Present				
- other emoluments	125	125	-	-
	2,947	2,878	100	100

The estimated monetary value of other benefits not included in the above received by the Directors of the Company and subsidiary company were RM92,367 (2007: RM130,901) and RM5,900 (2007: RM7,725) respectively.

The Directors' remuneration were received or receivable by the following Directors:-

Directors of the Company
Datuk Dr. Abdullah bin Abdul Rahman
Yong Pang Chaun
Dato' Zulkifli bin Abdul Rahman
Yong Lai Wah
Chong Chin Lin
Chan Kwai Heng
Sahid bin Mohamed Yasin
Cheong Chung Yet

Director of a subsidiary company
Yong Lai Ang

Group	Executive 2008 RM'000	Non-executive 2008 RM'000	Executive 2007 RM'000	Non-executive 2007 RM'000
Directors of the Company				
Fees	-	100	-	100
Other emoluments				
- Salaries and allowances	1,776	-	1,799	-
- Bonus	659	-	579	-
- Employees Provident Fund	287	-	275	-
	2,722	100	2,653	100
Company				
Directors of the Company				
Fees	-	100	-	100

These notes form part of the financial statements.

24. FINANCE COSTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Interests on:				
- Hire purchase	10	21	-	-
- Term loan	192	158	192	158
- Bankers' acceptance	349	104	-	-
- Revolving credit	142	-	-	-
- Letter of credit charges	76	-	-	-
- Others	-	56	71	-
	769	339	263	158

25. EARNINGS PER SHARE

(i) Basic earnings per share

The basic earnings per share of the Group for the financial year is calculated based on the profit attributable to equity holders divided by the weighted average number of ordinary shares in issue:

	2008 RM'000	2007 RM'000
Profit attributable to equity holders of the Company	41,715	31,403
	Number of ordinary shares	
	'000	'000
Number of shares in issue as of 1 July	65,590	63,586
Effects of:		
Exercise of ESOS	358	1,182
Share split	65,590	# 64,768
Weighted average number of ordinary shares in issue	131,538	129,536
Basic earnings per share of RM0.50 each (sen)	31.71	24.24

(ii) Diluted earnings per share

The diluted earnings per share of the Group for the financial year is calculated based on the profit attributable to equity holders divided by the adjusted weighted average number of ordinary shares.

The weighted average number of ordinary shares is adjusted to assume the conversion of all dilutive potential shares, namely share options granted under the Company's ESOS scheme and is arrived as follows:-

	Group 2008 RM'000	Group 2007 RM'000
Profit attributable to equity holders of the Company	41,715	31,403

These notes form part of the financial statements.

25. EARNINGS PER SHARE (Cont'd)

(ii) Diluted earnings per share (Cont'd)

	Number of ordinary shares 2008 '000	2007 '000
Weighted average number of ordinary shares in issue	131,538	129,536
Effect of ESOS	-	89
Effect of share split	-	#89
Adjusted weighted average number of ordinary shares in issue	131,538	129,714
Diluted earnings per share of RM0.50 each (sen)	N/A	24.21

#The weighted and adjusted weighted average number of ordinary shares in issue and issuable have been adjusted to reflect the share split which was completed on 9 July 2007.

No diluted earnings per share are presented for 2008 as the ESOS was expired on 2 October 2007.

26. DIVIDENDS

The dividends declared and paid by the Company are as follows:-

	Group/ Company			
	2008		2007	
Recognised during the year:	Dividend per share net of tax sen	Amount of dividend net of tax RM'000	Dividend per share net of tax sen	Amount of dividend net of tax RM'000
In respect of prior year				
Final dividend - 5 sen on 131,581,900 ordinary shares less tax of 26% (2007: 5 sen on 65,381,200 ordinary shares less tax of 27%)	3.70	4,869	3.65	2,387
In respect of current year				
First interim - 10 sen on 131,581,900 ordinary shares less tax of 26% (2007: 5 sen on 65,164,000 ordinary shares less tax of 27%)	7.40	9,737	3.65	2,378
Second interim – nil (2007: 5 sen on 65,504,700 ordinary shares less tax of 27%)	-	-	3.65	2,391
Special interim – nil (2007: 10 sen on 65,569,600 ordinary shares less tax of 27%)	-	-	7.30	4,787
		14,606		11,943

The Directors recommend a final dividend in respect of the current financial year of 8 sen per share, less income tax at 25%, subject to the approval of members at the forthcoming Annual General Meeting.

These notes form part of the financial statements.

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Additions to property, plant and equipment	32,897	24,282	62	10,424
Financed by hire purchase	(240)	-	-	-
Interest expense capitalised	-	(108)	-	(108)
	32,657	24,174	62	10,316

28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Represented by:				
Short term investment	19,868	30,232	18,715	-
Deposits, cash and bank balances	21,796	21,866	321	145
	41,664	52,098	19,036	145

29. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosure mentioned elsewhere in the financial statements, the other related party relationships and significant transactions are set out as follows:

(i) Related party relationships

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 relationships with the following:-

(a) Subsidiary companies of the Company as disclosed in Note 7.

(b) Substantial shareholder of the Company

Yong Pang Chaun Holdings Sdn. Bhd. ("YPC"), a shareholder of the Company which holds 41.04% equity interest in the Company where the Directors of the Company, Messrs. Yong Pang Chaun, Chong Chin Lin and Yong Lai Wah have substantial financial interests. Yong Pang Chaun and Chong Chin Lin are also the directors of YPC.

(c) A company in which a Director has indirect financial interest

Dat Hin Garment Manufacturing Sdn. Bhd. ("Dat Hin"), a company where the Director of the Company, Mdm. Yong Lai Wah has indirect financial interest.

These notes form part of the financial statements.

29. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(ii) Significant related party transactions

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

	Group		Company	
	2008	2007	2008	2007
Transactions entered into with subsidiary companies	RM'000	RM'000	RM'000	RM'000
Dividend income received from				
- Vincci	-	-	41,830	8,025
- Padini Corporation	-	-	4,870	4,870
- Seed	-	-	1,700	1,700
Rental income received from				
- Vincci	-	-	637	170
- Padini Corporation	-	-	471	170
- Seed	-	-	417	170
- Yee Fong Hung	-	-	177	85
- Mikihouse	-	-	186	84
- Padini Dot Com	-	-	994	-
Subscription of shares in				
- Yee Fong Hung				
- in cash	-	-	2,780	-
- in settlement of receivable balance	-	-	600	-
Advance to				
- Seed	-	-	-	300
- Yee Fong Hung	-	-	-	200
- Mikihouse	-	-	1,100	450
- Padini Dot Com	-	-	3,800	490
Advance from				
- Padini Dot Com	-	-	100	-
Repayment of advance from				
- Yee Fong Hung	-	-	90	300
- Mikihouse	-	-	-	2,100
- Padini Dot Com	-	-	720	490
Transactions entered into with related parties				
Dividend paid to YPC	1,998	6,872	1,998	6,872
Purchase of goods from Dat Hin	-	110	-	-
Purchase of additional equity interest of Vincci from Yong Lai Wah	461	-	461	-

Information regarding outstanding balances arising from related party transactions as at 30 June 2008 and 30 June 2007 are disclosed in Notes 12 and 19.

(iii) Compensation of key management personnel

The members of key management are also the Directors of the Company. The Directors' remuneration is disclosed in Note 23.

These notes form part of the financial statements.

30. COMMITMENTS

(i) Capital commitment

Capital commitment at the end of the financial year are as follows:

	Group	
	2008	**2007**
	RM'000	**RM'000**
Contracted but not provided for		
- Capital expenditure in relation to property, plant and equipment	3,303	-

(ii) Non-cancellable lease commitment

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	
	2008	**2007**
	RM'000	**RM'000**
Not later than 1 year	37,555	31,580
Later than 1 year and not later than 5 years	45,562	46,049
	83,117	77,629

Certain lease rental are subject to contingent rental which are determined based on a percentage of sales generated from outlets.

31. CONTINGENT LIABILITIES

(i)

	Company	
	2008	**2007**
	RM'000	**RM'000**
Secured		
Freehold land and building pledged to bank for banking facilities		
- Facility approved	7,200	7,200
- Amount utilised	7,200	7,200
Unsecured		
Corporate guarantee to banks and financial institutions for banking facilities granted to certain subsidiary companies		
- In Ringgit Malaysia	54,750	40,354
- In US Dollar	6,000	-
Amount utilised		
- In Ringgit Malaysia	22,250	2,507

(ii) Letter of guarantee and indemnity were issued by the Company to the landlord of certain subsidiary companies pertaining to its non-cancellable lease commitment of approximately RM15,514,000 (2007: RM10,787,000).

These notes form part of the financial statements.

32. FINANCIAL INSTRUMENTS

(i) Credit risk

Receivables

The Group's normal trade receivables credit period ranges from 2 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group is exposed to a significant concentration of credit risk, whereby significant outstanding balance of trade receivables as at 30 June 2008 is due from two (2) customers, represent approximately 44% or RM5,374,867 of the net trade receivables.

Payables

The normal trade credit period granted to the Group ranges from 30 to 90 days or such other period as negotiated with the suppliers.

(ii) Interest rate risk

The fixed deposits with licensed banks has an effective interest yield of 3.7% per annum and has a maturity period of 365 days.

(iii) Fair values

The following methods and assumptions are used to determine the fair value of each of the financial assets or liabilities for which it is practicable to estimate their values:

Cash and cash equivalents, other receivables, other payables and short term borrowings

The carrying amounts of these amounts approximate their fair values due to their short term nature.

Investment in subsidiary companies

Investment was previously valued by Director's valuation based on their underlying net assets value. The investment is stated at 2006 valuation and the Directors believe that the recoverable amount would not be less than the carrying amount as disclosed in Note 7.

Investment

The fair value of quoted shares is its market value at the balance sheet date as disclosed in Note 8.

Short term investment

The fair value of unit trusts is its market value at the balance sheet date as disclosed in Note 14.

Trade receivables and payables

The carrying values of these amounts approximate their fair values because these are subject to normal trade credit terms and their short term nature.

These notes form part of the financial statements.

32. FINANCIAL INSTRUMENTS (Cont'd)

(iii) Fair values (Cont'd)

Amount due from subsidiary companies

No disclosure of fair value is made for amount due from subsidiary companies as it is not practicable to determine its fair values with sufficient reliability given these balances have no fixed terms of repayment. However, the Directors do not anticipate the carrying value recorded at the balance sheet date to be significantly different from the amount which would eventually be settled as disclosed in Note 12.

Borrowings

The fair value of long-term borrowings is estimated based on the current rates available for borrowings with the similar maturity profile. The carrying amount of the long-term borrowings at balance sheet date approximates their fair values.

Contingent liability

The Company provides guarantees to certain subsidiary companies as follows:

(i) financial guarantees to banks for credit facilities extended; and
(ii) indemnity guarantees to landlord pertaining to its non-cancellable lease commitment.

The fair value of such guarantees is not expected to be material as the probability of the subsidiary companies defaulting on the credit lines and non-cancellable lease commitment are remote.

Forward foreign exchange contracts

As at the balance sheet date, the Group has the following foreign exchange contracts to sell forward US Dollars with a licensed bank:

Contract Date	Contract Amount	Contractual Rate	Maturity Date
March 2008	USD 266,000	3.1903	August 2008
March 2008	USD 62,000	3.1915	September 2008
April 2008	USD 291,402	3.1415	July 2008
April 2008	USD 32,000	3.1425	October 2008
May 2008	USD 535,000	3.1764	September 2008

The contracts are entered into to hedge against the export sales revenue denominated in US Dollars.

The unrecognised loss as at 30 June 2008 on the above contracts are RM112,329. The above loss are deferred until the realisation of the forward contract, at which time they are included in the measurement of such transactions.

These notes form part of the financial statements.

33. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's geographical segment. The segment operates in two principal geographical areas, Malaysia and Hong Kong.

Primary reporting format-geographical segments by location of assets

Group 2008	**Malaysia RM'000**	**Hong Kong RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Revenue				
Revenue from external customers	370,642	12,664	-	383,306
Inter-segment revenue	2,106	-	(2,106)	-
	372,748	12,664	(2,106)	383,306
Results				
Segment results	54,848	3,580		58,428
Finance cost				(769)
Taxation				(15,909)
Profit for the financial year				41,750
Assets				
Segment assets	251,670	11,993	-	263,663
Liabilities				
Segment liabilities	50,090	1,997	-	52,087
Borrowings				28,197
Total segment liabilities				80,284
Capital expenditure	30,956	1,941	-	32,897
Non-cash items				
Allowance for doubtful debts	271	-	-	271
Amortisation of prepaid land lease payments	-	17	-	17
Depreciation of property, plant and equipment	12,355	55	-	12,410
Depreciation of investment properties	24	43	-	67
Inventories written down to net realisable value	2,544	-	-	2,544
Provision for loyalty points	239	-	-	239
Profit on disposal of property, plant and equipment	(8)	-	-	(8)
Property, plant and equipment written off	48	-	-	48

Group 2007	**Malaysia RM'000**	**Hong Kong RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Revenue				
Revenue from external customers	304,612	12,254	-	316,866
Inter-segment revenue	2,974	1	(2,975)	-
	307,586	12,255	(2,975)	316,866

These notes form part of the financial statements.

33. SEGMENTAL INFORMATION (Cont'd)

Primary reporting format-geographical segments by location of assets (Cont'd)

Group 2007	**Malaysia RM'000**	**Hong Kong RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Results				
Segment results	40,631	3,715	-	44,346
Finance cost				(339)
Taxation				(12,565)
Profit for the financial year				31,442
Assets				
Segment assets	185,525	9,318	(1)	194,842
Liabilities				
Segment liabilities	47,079	2,060	(864)	48,275
Capital expenditure	24,274	8	-	24,282
Non-cash items				
Allowance for doubtful debts	272	-	-	272
Bad debts written off	48	-	-	48
Depreciation of property, plant and equipment	8,024	22	-	8,046
Depreciation of investment properties	35	-	-	35
Inventories written down to net realisable value	732	-	-	732
Provision for loyalty points	828	-	-	828
Profit on disposal of property, plant and equipment	(74)	-	-	(74)
Property, plant and equipment written off	35	1	-	36
Share options granted under ESOS	350	-	-	350
Trademarks written off	1,248	-	-	1,248

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

Secondary reporting format-geographical segment by location of customers

	Group	
	2008 RM'000	**2007 RM'000**
Revenue		
Malaysia	345,083	282,597
Other Asia Pacific countries	12,240	13,990
Middle East countries	25,983	20,279
	383,306	316,866

The Group operates principally in retail industry and therefore information by business segments is not applicable.

These notes form part of the financial statements.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) At the Extraordinary General Meeting held on 18 June 2007, the Company obtained the shareholders' approval to undertake a share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each ("Share Split"). The shares, so split, shall upon allotment and issue, rank pari passu in all respects amongst themselves.

The Share Split was completed on 9 July 2007.

(ii) On 14 April 2008, the Company completed the acquisition of 5,000 ordinary shares of RM1.00 each, equivalent to 0.311% of total issued and paid up capital of Vincci, for a total consideration of RM460,950. Subsequent to the acquisition, Vincci become a wholly-owned subsidiary of the Company.

(iii) During the financial year, the Company subscribed for additional 3,380,000 ordinary shares of RM1.00 each in Yee Fong Hung at par value by way of cash of RM2,780,000, and capitalisation of RM600,000 from its balance with Yee Fong Hung.

35. COMPARATIVE FIGURES

The followings comparative figures on the face of the financial statements have been reclassified for better presentation.

	Group	
	Amounts as previously reported RM'000	Amount as restated RM'000
Income Statement		
Selling and distribution costs	86,301	89,517
Administration expenses	27,696	24,480

These reclassifications have no impact on the profit attributable to shareholders.

These notes form part of the financial statements.

Recurrent related party transactions of a revenue nature conducted pursuant to the shareholders' mandate during the financial period ended 30 June 2008 are as set out below:

Company in the Padini Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Value approved in the Circular (RM)	Aggregate value of transactions (RM)
Padini Holdings Berhad (Padini)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies Specialties' Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL	Rental from VL	169,704	169,704
Padini Holdings Berhad (Padini)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies Specialties' Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL	Rental from VL	434,535	467,080

Company in the Padini Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Value approved in the Circular (RM)	Aggregate value of transactions (RM)
Padini Dot Com Sdn Bhd (PDC)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies Specialties' Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and PDC Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and PDC	Support Services & Administration Fees from VL	12,650,000	9,446,769
Padini Corporation Sdn Bhd (PC)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies Specialties' Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and PC Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL	Rental of 2 adjoining retail outlets located at Sungei Wang Plaza (1,455 sq ft) by VL.	785,700	698,400

Company in the Padini Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Value approved in the Circular (RM)	Aggregate value of transactions (RM)
Seed Corporation Sdn Bhd (SC)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies Specialties' Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and SC Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and SC	Purchases from SC	10,000	-
Padini Corporation Sdn Bhd (PC)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies Specialties' Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and PC Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL	Purchases from PC	10,000	-

Company in the Padini Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Value approved in the Circular (RM)	Aggregate value of transactions (RM)
Padini Corporation Sdn Bhd (PC)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Dat Hin Garment Manufacturing Sdn Bhd (DH)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Alternate Director in DH. Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of PC Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of DH	Sales to DH Purchases from DH	20,000 40,000	- -
Yee Fong Hung (Malaysia) Sdn Bhd (YFH)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies' Specialties Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Director of YFH - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and YFH Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL	Rental from VL	12,000	9,500

Company in the Padini Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Value approved in the Circular (RM)	Aggregate value of transactions (RM)
Yee Fong Hung (Malaysia) Sdn Bhd (YFH)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies' Specialties Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Director of YFH - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and YFH Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL	Financial Assistance to YFH	5,000,000	3,416,541
Seed Corporation Sdn Bhd (SC)	Yong Lai Wah Yong Pang Chaun Chong Chin Lin	Vincci Ladies' Specialties Centre Sdn Bhd (VL)	Yong Lai Wah - Director, Shareholder and Indirect substantial shareholder of Padini. - Shareholder of VL Yong Pang Chaun - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and SC Chong Chin Lin - Director, Shareholder and indirect substantial shareholder of Padini - Director of VL and SC	Financial Assistance to SC	1,000,000	-

Padini Holdings Berhad acquired the remaining 5,000 ordinary shares of RM1.00 each (0.311%) in Vincci Ladies' Specialties Centre Sdn Bhd from Madam Yong Lai Wah on 7 March 2008. Vincci Ladies' Specialties Centre Sdn Bhd is now a wholly owned subsidiary of Padini Holdings Berhad.

DIRECTORS' SHAREHOLDINGS AS AT 24 OCTOBER 2008

Shareholdings in the Company

Director	No. of Shares Held			
	Indirect	%	Direct	%
DATUK DR ABDULLAH BIN ABDUL RAHMAN	NIL	NIL	NIL	NIL
DATO' ZULKIFLI BIN ABDUL RAHMAN	NIL	NIL	NIL	NIL
YONG PANG CHAUN	55,961,600 *	42.53	300,000	0.23
CHAN KWAI HENG	NIL	NIL	228,800	0.17
CHEONG CHUNG YET	NIL	NIL	234,798	0.18
CHONG CHIN LIN	55,857,602 **	42.45	403,998	0.31
YONG LAI WAH	55,557,602 ^	42.22	NIL	NIL
SAHID BIN MOHAMED YASIN	NIL	NIL	NIL	NIL

In addition to the direct/indirect interests disclosed above, Yong Pang Chaun, Yong Lai Wah 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.

* Deemed interest by virtue of his substantial shareholdings in Yong Pang Chaun Holdings Sdn. Bhd. and via his spouse, Mdm. Chong Chin Lin's direct interest.

** Deemed interest by virtue of her husband, Yong Pang Chaun's substantial shareholdings in Yong Pang Chaun Holdings Sdn. Bhd. and his direct interest in the Company.

^ Deemed interest is held via Yong Pang Chaun Holdings Sdn. Bhd. (By virtue of her shareholding and her brother, Mr. Yong Pang Chaun's shareholdings in Yong Pang Chaun Holdings Sdn. Bhd.)

Authorised Share Capital	:	RM100,000,000-00
Issued and Paid-up Capital	:	RM65,790,950-00
Class of Shares	:	Ordinary Shares of RM0-50 each
Voting rights	:	One vote per Ordinary share
No. of shareholders	:	1,790

DISTRIBUTION SCHEDULE - ORDINARY SHAREHOLDERS AS AT 24 OCTOBER 2008

No. of Holders	Holdings	Total Holdings	%
78	less than 100	6,148	0.005
794	100 - 1,000	328,790	0.250
665	1,001 - 10,000	2,856,932	2.171
191	10,001 - 100,000	5,785,456	4.397
58	100,001 - 6,579,094	31,194,976	23.708
4	6,579,095 and above	91,409,598	69.470
1,790	**TOTAL**	**131,581,900**	**100.000**

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 24 OCTOBER 2008

				No. of Shares held or beneficially interested in		Percentage of Shareholding	
No.	Name	Nationality	Registered Holder	Direct	Indirect	Direct	Indirect
1	Yong Pang Chaun Holdings Sdn. Bhd.	Incorporated in Malaysia	-Yong Pang Chaun Holdings Sdn. Bhd.	55,557,602	-	42.22	-
2	Puncak Bestari Sdn. Bhd.	Incorporated in Malaysia	-EB Nominees (Tempatan) Sdn. Bhd. -RHB Capital Nominees (Tempatan) Sdn Bhd -Puncak Bestari Sdn Bhd	7,033,000 19,400,000 9,418,996	- - -	5.34 14.74 7.16	- -
3	Yong Pang Chaun **	Malaysian	-Yong Pang Chaun Holdings Sdn. Bhd. -Chong Chin Lin # -Yong Pang Chaun	- - 300,000	55,557,602 403,998 -	- - 0.23	42.22 0.31 -
4	Chong Chin Lin **	Malaysian	-Yong Pang Chaun Holdings Sdn. Bhd. -Yong Pang Chaun * -Chong Chin Lin	- - 403,998	55,557,602 300,000 -	- - 0.31	42.22 0.23 -
5	Yong Lai Wah **	Malaysian	-Yong Pang Chaun Holdings Sdn. Bhd. -Yong Lai Wah	- -	55,557,602 -	- -	42.22 -
6	Yong Lee Peng **	Malaysian	-Yong Pang Chaun Holdings Sdn. Bhd. -Yong Lee Peng	- 300,000	55,557,602 -	- 0.23	42.22 -

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

** Those whose names are preceded by a double asterisk are deemed to have an interest in the shares by virtue of Section 6A(4)(c) of the Companies Act, 1965.

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

* Deemed Interest via her spouse, Mr Yong Pang Chaun's direct interest.

LIST OF TOP 30 SHAREHOLDERS AS AT 24 OCTOBER 2008
(As per the Record of Depositors)

No.	Name	No. of Shares	%
1	Yong Pang Chaun Holdings Sdn. Bhd.	55,557,602	42.223
2	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Puncak Bestari Sdn Bhd (WPMSB IB1002)	19,400,000	14.744
3	Puncak Bestari Sdn. Bhd.	9,418,996	7.158
4	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Puncak Bestari Sdn Bhd (KLM)	7,033,000	5.345
5	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad icapital.biz Berhad	4,540,000	3.450
6	Thian Yee Chin	2,858,800	2.173
7	Amanah Raya Nominees (Tempatan) Sdn. Bhd. Public Smallcap Fund	2,460,100	1.870
8	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Dividend Fund	1,892,500	1.438
9	Yong Yee Ching	1,549,194	1.177
10	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Opportunities Fund	1,544,800	1.174
11	Soo Tuck Koow	940,000	0.714
12	HLG Nominee (Tempatan) Sdn Bhd PB Trustee Services Berhad for HLG Growth Fund	925,000	0.703
13	Universal Trustee (Malaysia) Berhad CIMB-Principal Small Cap Fund 2	820,100	0.623
14	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yip Swee Kian (CEB)	651,300	0.495
15	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Deutsche Bank AG Singapore for Pangolin Asia Fund	535,000	0.407
16	Universal Trustee (Malaysia) Berhad CIMB Islamic Small Cap Fund	499,600	0.380
17	Chong Khin Hsiung	494,198	0.376
18	A.A. Anthony Securities Sdn. Bhd. IVT (CI001)	477,000	0.363
19	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for MAAKL Progress Fund (4082)	463,000	0.352
20	Seo Cheng Gaok	457,598	0.348
21	Min Seng Realty Sdn. Bhd.	420,600	0.320
22	Kwong Fatt Textiles Sdn. Berhad	412,200	0.313
23	Chong Chin Lin	403,998	0.307
24	Sik Gim Keat	400,500	0.304
25	Mayban Nominees (Tempatan) Sdn Bhd Mayban Life Assurance Berhad (Par Fund)	400,000	0.304
26	Mayban Nominees (Tempatan) Sdn Bhd Mayban Life Assurance Berhad (Non-Par Fund)	400,000	0.304
27	Soon Peng Len	400,000	0.304
28	Thian Min Yang	373,900	0.284
29	Denver Corporation Sdn. Bhd.	369,700	0.281
30	Soo Tuck Koow	357,500	0.272
	TOTAL	116,456,186	88.505

Location	Description / Existing Use	Land Area/ Built-up Area (sq. ft.)	Tenure	Approximate Age of Buildings	Net Carrying Amount @ 30.06.2008 (RM)
No. 21, Lot 116, Jalan U1/20 Glenmarie Industrial Park 40000 Shah Alam Date of Acquisition: 11 June 1998	2-storey Office cum warehouse: Corporate Headquarters & central warehouse	45,962 / 56,568	Freehold	12.5 years	6,920,875
No. 19 Lot 115, Jalan U1/20 Glenmarie Industrial Park 40000 Shah Alam Date of Acquisition: 08 August 2003	4-storey Office cum warehouse: Corporate Headquarters & central warehouse	45,962	Freehold	2 years	15,413,405
Lot 112, Jalan U1/20 Glenmarie Industrial Park 40000 Shah Alam Date of Acquisition: 24 March 2006	Industrial land: Vacant and currently used as a car park for staff	75,003	Freehold	Not Applicable	4,896,013
Lots LG 028 & 044 Lower Ground Floor Sungei Wang Plaza Kuala Lumpur Date of last revaluation: 1982	Retail shoplots: utilized by a subsidiary as a free-standing retail outlet	1455 / 1455	Freehold	35 years	814,800
No. 1, Lorong 6E/91 Taman Shamelin Perkasa Batu 3 ½ , Jalan Cheras 56100 Kuala Lumpur Date of acquisition : 08 March 1990	4-storey shophouse: vacant (under Non Current Assets Held for Sale)	2208 / 7552	Leasehold – 99 years expiring on 11.09.2082	18 years	565,014
No. 3, Lorong 6E/91 Taman Shamelin Perkasa Batu 3 ½ , Jalan Cheras 56100 Kuala Lumpur Date of acquisition: 08 March 1990	4-storey shophouse: vacant (under Non Current Assets Held for Sale)	1760 / 6135	Leasehold – 99 years expiring on 11.09.2082	18 years	581,813
No. 29, Lorong 6E/91 Taman Shamelin Perkasa Batu 3 ½ , Jalan Cheras 56100 Kuala Lumpur Date of acquisition: 23 May 1984	4-storey shophouse: vacant (under Non Current Assets Held for Sale)	1760 / 6135	Leasehold – 99 years expiring on 11.09.2082	18 years	569,228
Workshop B15 10th Floor, Block B Hong Kong Industrial Centre 489-491 Castle Peak Road Kowloon, Hong Kong Date of acquisition : 12 September 2007	Office Lot/ Workshop: Management Office for Padini International Limited, Hong Kong	1,324	Leasehold – 75 years expiring on 30.06.2047	26 years	1,874,468
Workshops B14 10th Floor, Block B Hong Kong Industrial Centre 489-491 Castle Peak Road Kowloon, Hong Kong Date of acquisition : 12 September 2007	Office Lot/ Workshop: Rented out	1,600	Leasehold – 75 years expiring on 30.06.2047	26 years	1,681,233

Statement Regarding Revaluation Policy

As at 30 June 2008

In 1982, two items consisting of two retail shoplots located in Sungei Wang Plaza (freehold) owned by subsidiary Padini Corporation Sdn Bhd, was 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 Company 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

('the Company") hereby appoint ____

of ____

or failing him/her, ____

of ____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at No. 19, Jalan U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on 19 December 2008 at 10:00 a.m. or at any adjournment thereof.

(With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.)

		FOR	AGAINST
Resolution 1	Reports and Audited Financial Statements		
Resolution 2	Declaration of Final Dividend		
Resolution 3	Directors' fee		
Resolution 4	Re-election of Mr. Yong Pang Chaun		
Resolution 5	Re-election of Ms. Yong Lai Wah		
Resolution 6	To re-appoint Messrs Peter Chong & Co. as Auditors		

Dated this_______________day of_____________2008

	No. of ordinary shares held
1st proxy	
2nd proxy	
Total	

____
Signature of Member / Common Seal

Notes:

(i) A member of the Company entitled to attend and vote at the above meeting, is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be completed and deposited at the registered office of the Company at 3rd Floor, No. 17 Jalan Ipoh Kecil, 50350 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll).

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Stamp

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

3rd Floor No. 17
Jalan Ipoh Kecil
50350 Kuala Lumpur

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