

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

**PART A – PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS
134 - INTERIM FINANCIAL REPORTING**

A1. Basis of Preparation and Consolidation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2020.

New and Revised Standards and Amendments in issue but not yet effective

At the date of authorisation for issue of the interim financial statements, the new and revised Standards and Amendments and IC Interpretations, and which were issued but not yet effective and not early adopted by the Group are as listed below:

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

**New and Revised Standards and Amendments in issue but not yet effective
(continued)**

The directors anticipate that abovementioned Standards, Amendments and IC Interpretations will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards, Amendments and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application. The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

A2. Preceding Audited Financial Statements

The audited financial statements of the Group for the preceding year ended 30 June 2020 were not qualified.

A3. Seasonal or Cyclical Factors

The Group's business operations are mainly in product designing, product development, marketing and retailing of sports apparel and accessories and casual wear under its own brand names. It is subject to seasonal or cyclical factors where local festivals, school holidays and carnival sales will generally have an impact on its performance.

A4. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income, or cash flow of the Group for the quarter or the financial period-to-date.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current or previous financial years which have any material effect in the current interim period.

A6. Changes in Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the quarter under review.

A7. Dividend

There was no dividend paid during the current quarter under review.

A8. Segmental Information

The Group is principally engaged in product designing, product development, marketing and retailing of sports apparel and accessories and casual wear under its own brand names. Hence, segmental information is not presented as there are no significant business segments other than the retailing business.

A9. Status of Corporate Proposal

There were no corporate proposals as at the date of this quarterly report.

A10. Valuation of Property, Plant and Equipment

The property, plant and equipment are carried at cost less accumulated depreciation and no valuation is done for the financial year ended 30 June 2020.

A11. Subsequent Events

There is no material event subsequent to the end of the current quarter, which has not been reflected in the financial statements for the current period.

A12. Changes in The Composition of The Group

There were no changes in the composition of the Group during the quarter under review including business composition, acquisition or disposal of any subsidiaries or long term investments, restructuring or discontinued operations.

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2021
PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
(PART A OF APPENDIX 9B)**

B1. Review of Performance of the Group

The Group recorded a revenue of about RM26.11 million for the current quarter under review, an increase of RM0.84 million or 3.32% compared to RM25.27 million recorded in the previous year's corresponding quarter due to slight increase in consumer sentiment compared to Movement Control Order ("MCO") 1.0 imposed by the Government on 18 March 2020 which resulted in compulsory closure of departmental stores and boutiques in the previous year's corresponding quarter.

The profit before tax for the current quarter increased by 113.46% or RM4.30 million to about RM0.51 million compared to loss before tax of about RM3.79 million as recorded in the previous year's corresponding quarter. The increase in the profit before tax for current quarter under review was due to cost reduction measures taken by the Group.

B2. Material Changes in the Profit Before Tax As Compared to the Immediate Preceding Quarter

The comparison of this quarter's results with those of the immediate preceding quarter is set out below.

Period ended	Current Quarter 31.03.2021 RM'000	Preceding Quarter 31.12.2020 RM'000	Variance RM'000
Revenue	26,112	24,239	1,873
Profit Before Tax	513	2,519	(2,006)

Revenue for the current quarter was about RM26.11 million which is RM1.87 million or 7.71% higher than the immediate preceding quarter of RM24.24 million. The increase in revenue was due to Chinese New Year season for the current quarter.

For the current quarter ended 31 March 2021, the Group posted a profit before tax of RM0.51 million which is RM2.01 million or 79.76% lower compared to the immediate preceding quarter's profit before tax of RM2.52 million. The decrease in profit before tax was mainly due to COVID-19 pandemic that effected less foot traffic which resulted in less participation despite higher scale sales promotional campaigns had been carried out which resulted higher operating expenses for the current quarter under review compared to the immediate preceding quarter.

B3. Prospects

Due to the recent resurgence of COVID-19 infections in the country and MCO 3.0 from 12 May 2021 to 07 June 2021 imposed by the Government, the economic outlook for the year will remain uncertain and the performance of the retail garment industry will continue to remain challenging.

Nevertheless the Group will continue to be vigilant to changes in the business environment in the country and to change in directional focus to enhance E-Commerce business to compensate for the expected challenging environment for retail industry in order to maintain sustainability of its business under the present circumstances.

B4. Variance from Profit Forecast and Profit Guarantee

Not applicable.

B5. Taxation

No tax payable.

B6. Status of Corporate Proposals

Proposed Bonus Issue of Free Warrants

On 24 February 2021, the Company announced proposed bonus issue of up to 63,810,375 warrants on the basis of 1 warrant for every 2 existing ordinary shares in Cheetah held on an entitlement date to be determined later (“Proposed Bonus Issue of Warrants”). The purpose of the Proposed Bonus Issue of Warrants is to reward our shareholders.

The Proposed Bonus Issue of Warrants was approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 April 2021. The Proposed Bonus Issue of Warrants is pending for exercise price and entitlement date as at the date of this report.

As stated in item A9, there were no corporate proposals as at the date of this quarterly report.

B7. Details of treasury shares

As at the end of the reporting period, the status of share buy-back is as follows:-

	Current Quarter	Accumulated Total
Description of shares purchased	Ordinary Share	Ordinary Share
Number of shares purchased	Nil	12,761,300
Number of shares cancelled	Nil	Nil
Number of shares held as treasury shares	Nil	Nil
Number of treasury shares resold	Nil	Nil

The Company will not continue its share buy-back program at the moment as the treasury shares now stand at 9.9% of the company's issued shares, the maximum allowed being 10.0%.

B8. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the current quarter is as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowings	-	-	-
Total	-	-	-

There were no debt securities issued as at 31 March 2021.

B9. Material Litigation

There is no litigation of a material nature involving the Group as at the date of this quarterly report.

B10. Proposed Dividend

No dividend has been declared or recommended for payment by the Company for the current quarter under review.

B11. Earnings Per Share

The basic earnings per share of the Group is calculated by dividing the net profit attributable to shareholders for the period by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended
	31.03.2021	31.03.2020
Net Profit attributable to shareholders (RM'000)	513	(3,793)
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares ('000)	114,859	114,859
Basic earnings profit/(loss) per share (sen)	0.45	(3.30)

B12. Profit before taxation

	Current Year Quarter Ended 31.03.2021 RM'000	9 Months Cumulative to Date 31.03.2021 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	293	1,008
Depreciation of right-of-use assets	168	372
Depreciation of investment property	3	9
Property, plants and equipment written off	1	212
Provision of inventories written off / Inventories written off	653	2,654
Inventories written down / (written back)	(3)	(215)
Finance costs	8	(2)
Income distribution form short-term funds	(192)	(392)