

CHEETAH HOLDINGS BERHAD

Registration no.: 199701014907 (430404-H)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2021***(The figures have not been audited)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

| | Current Year Quarter Ended 30/9/2021 RM '000 | Comparative Corresponding Quarter Ended 30/9/2020 RM '000 | 3 Months Cumulative To Date 30/9/2021 RM '000 | Comparative 3 Months Cumulative To Date 30/9/2020 RM '000 |
|--|---|--|--|--|
| Revenue | 10,878 | 27,903 | 10,878 | 27,903 |
| Cost of Sales | (7,192) | (19,908) | (7,192) | (19,908) |
| Gross Profit | 3,686 | 7,995 | 3,686 | 7,995 |
| Operating Expenses | (5,323) | (5,806) | (5,323) | (5,806) |
| Other Operating Expenses | (6,118) | (617) | (6,118) | (617) |
| Other Operating Income | 1 | 7 | 1 | 7 |
| Income from Other Investment | 121 | 192 | 121 | 192 |
| Finance Costs | (4) | (23) | (4) | (23) |
| (Loss)/Profit before tax | (7,637) | 1,748 | (7,637) | 1,748 |
| Taxation | - | - | - | - |
| (Loss)/Profit for the period | (7,637) | 1,748 | (7,637) | 1,748 |
| Attributable to : | | | | |
| Equity Shareholders of the Company | (7,637) | 1,748 | (7,637) | 1,748 |
| (Loss)/Earnings Per Share (EPS) attributable to equity shareholders the Company | | | | |
| - Basic (sen) | (2.22) | 0.51 * | (2.22) | 0.51 * |
| - Diluted (sen) | N/A | N/A | N/A | N/A |

The unaudited condensed consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.

* For comparative purpose, the earnings per share for the corresponding quarter and corresponding year to date ended 30 September 2020 have been adjusted to reflect the bonus issue of 2 ordinary shares ("Shares") for every 1 existing Share held which was completed on 8 September 2021.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2021***(The figures have not been audited)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | UNAUDITED As At 30/9/2021 RM '000 | AUDITED As At 30/6/2021 RM '000 |
|--|--|--|
| <u>ASSETS</u> | | |
| Non-current assets | | |
| Property, plant and equipment | 10,430 | 10,646 |
| Rights-of-use assets | 2,363 | 2,434 |
| Investment property | 541 | 544 |
| Other investment | 20,832 | - |
| | 34,166 | 13,624 |
| Current assets | | |
| Inventories | 46,533 | 45,598 |
| Trade and other receivables | 13,636 | 21,594 |
| Current tax assets | 1,856 | 1,334 |
| Cash and bank balances | 12,812 | 12,183 |
| Short-term funds | 18,781 | 40,767 |
| | 93,618 | 121,476 |
| TOTAL ASSETS | 127,784 | 135,100 |
| <u>EQUITY AND LIABILITIES</u> | | |
| Equity attributable to owners of the parent | | |
| Share capital | 63,810 | 63,810 |
| Treasury Shares | (6,261) | (6,261) |
| Reserves | 66,006 | 73,643 |
| Total Equity | 123,555 | 131,192 |
| Non-current Liabilities | | |
| Deferred tax | 587 | 587 |
| | 587 | 587 |
| Current Liabilities | | |
| Trade and other payables | 3,452 | 3,048 |
| Lease liabilities | 191 | 273 |
| | 3,643 | 3,321 |
| Total Liabilities | 4,230 | 3,908 |
| TOTAL EQUITY AND LIABILITIES | 127,785 | 135,100 |
| Net Assets per share attributable to ordinary equity shareholders of the Company (RM) | 0.36 | 0.38 * |

The unaudited condensed consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.

** For comparative purpose, the net assets per share attributable to the owners of the Company as at 30 June 2021 have been adjusted to reflect the bonus issue of 2 ordinary shares ("Shares") for every 1 existing Share held which was completed on 8 September 2021.*

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Registration no.: 199701014907 (430404-H)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2021***(The figures have not been audited)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

| | 3 months ended | |
|--|-----------------------|----------------------|
| | 30/9/2021 | 30/9/2020 |
| | RM '000 | RM '000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before tax | (7,637) | 1,748 |
| Adjustments for : | | |
| Depreciation of : | | |
| Property, plant and equipment | 246 | 385 |
| Investment property | 3 | 3 |
| Right-of-use assets | 71 | 150 |
| Lease concession | - | (280) |
| Property, plant and equipment written off | 24 | 196 |
| Provision of inventories written off | 272 | 1,395 |
| Inventories written down/(written back) | 196 | (158) |
| Interest income | (121) | (192) |
| Finance costs | 4 | 23 |
| Reversal of loss on property, plant and equipment | - | (96) |
| Loss on disposal of property, plant and equipment | 49 | - |
| Provision of impairment losses on trade receivables | (2,233) | (60) |
| Fair value adjustment on other investment | 3,119 | - |
| Operating (loss)/profit before changes in working capital | <u>(6,007)</u> | <u>3,114</u> |
| Changes in working capital : | | |
| (Increase)/Decrease in inventories | (1,402) | 2,434 |
| Decrease/(Increase) in trade and other receivables | 10,190 | (2,658) |
| Increase in trade and other payables | 402 | 2,647 |
| Cash generated from operations | <u>3,183</u> | <u>5,537</u> |
| Tax refunded | - | - |
| Tax paid | (522) | (158) |
| Net cash from operating activities | <u>2,661</u> | <u>5,379</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of other investment | (23,950) | - |
| Purchase of property, plant and equipment | (103) | (36) |
| Interest income | 121 | 192 |
| Right-of-use assets | - | 330 |
| Net cash (used in)/from investing activities | <u>(23,932)</u> | <u>486</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (4) | (23) |
| Payments of lease liabilities | (82) | (207) |
| Drawdown of bankers' acceptance | - | 485 |
| Net cash (used in)/generated from financing activities | <u>(86)</u> | <u>255</u> |
| Net (decrease)/increase in cash and cash equivalents | (21,357) | 6,120 |
| Cash and cash equivalents at the beginning of the financial period | 52,950 | 42,432 |
| Cash and cash equivalents at the end of the financial period | <u>31,593</u> | <u>48,552</u> |
| Cash and cash equivalents comprise :- | | |
| Short-term deposits with financial institutions | 18,781 | 39,405 |
| Cash and bank balances | 12,812 | 9,147 |
| | <u>31,593</u> | <u>48,552</u> |

The unaudited condensed consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.

CHEETAH HOLDINGS BERHAD

Registration no.: 199701014907 (430404-H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

| | -----Non - Distributable----- | | | Distributable | |
|--|-------------------------------|-------------------------------|-------------------------------|---------------------------------|----------------------------|
| | Share Capital RM '000 | Treasury Shares RM '000 | Capital Reserve RM '000 | Retained Earnings RM '000 | Total Equity RM '000 |
| <u>3 months ended 30 September 2021</u> | | | | | |
| Balance as at 1 July 2021 | 63,810 | (6,261) | 1,265 | 72,378 | 131,192 |
| Total comprehensive loss | - | - | - | (7,637) | (7,637) |
| Balance as at 30 September 2021 | <u>63,810</u> | <u>(6,261)</u> | <u>1,265</u> | <u>64,741</u> | <u>123,555</u> |
| <u>3 months ended 30 September 2020</u> | | | | | |
| Balance as at 1 July 2020 | 63,810 | (6,261) | 1,265 | 65,641 | 124,455 |
| Total comprehensive income | - | - | - | 1,748 | 1,748 |
| Balance as at 30 September 2020 | <u>63,810</u> | <u>(6,261)</u> | <u>1,265</u> | <u>67,389</u> | <u>126,203</u> |

The unaudited condensed consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2021. 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 2021.

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>Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i> | 1 January 2021 |
| <i>Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)</i> | 1 April 2021 |
| <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>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i> | 1 January 2023 |
| <i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i> | 1 January 2023 |
| <i>Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |

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

| Title | Effective Date |
|---|-----------------------|
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred |

The 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 are not expected to have material impact on the financial statements of the Group.

A2. Preceding Audited Financial Statements

The audited financial statements of the Group for the preceding year ended 30 June 2021 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 flows 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 except items stated as follows:

- a. During the quarter under review, the latest issued capital is 382,862,250 shares (before was 127,620,750 shares) after completed the listing and quotation of 255,241,500 Bonus Shares (including 25,522,600 treasury shares) on 8 September 2021.
- b. Subscription of Rights Shares and Excess Rights Shares At An Issue Price of RM0.10 Per Rights Share by the wholly-owned subsidiary of the Company, Cheetah Marketing Sdn Bhd in Lambo Group Berhad

On 13 September 2021, the Company announced that Cheetah Marketing Sdn Bhd, a wholly-owned subsidiary of the Company, had subscribed for 239,500,000 Rights Shares with 95,800,000 free detachable warrants (“Warrants C”) at a total cash consideration of RM23.95 million in Lambo Group Berhad. Subsequent to the subscription of Rights Shares with free detachable warrants, Cheetah Marketing Sdn Bhd holds a total of 239,550,000 ordinary shares and 95,800,000 Warrants C in Lambo Group Berhad.

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. 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 2021.

A10. 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.

A11. 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 FIRST QUARTER ENDED 30 SEPTEMBER 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 RM10.88 million for the current quarter under review, a decrease of RM17.02 million or 61.00% compared to RM27.90 million recorded in the previous year's corresponding quarter. The decrease in the revenue was due to the Government imposing National Recovery Plan ("NRP") on 15 June 2021 to separate into 4 phases. Each State will be uplifted by stages which base on infected cases and vaccination rate. Most of the States were under Phase 1 in the month of July 2021 and August 2021 which resulted temporary closure in retail garment industry despite shopping malls and departmental stores were allowed to resume operations.

As compared to previous year's corresponding quarter, most of the States were under Recovery Movement Control Order ("RMCO") from July 2020 which resulted improvement of consumer demand after Movement Control Order ("MCO") imposed by the Government since 18 March 2020.

The loss before tax for the current quarter was about RM7.64 million compared to profit before tax of about RM1.75 million as recorded in the previous year's corresponding quarter. The loss before tax for current quarter under review was in tandem with the NRP imposed by the Government where most of the States were under Phase 1 in the month of July 2021 and August 2021 which resulted temporary closure in retail garment industry.

B2. Material Changes in the (Loss)/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 30.09.2021 RM'000 | Preceding Quarter 30.06.2021 RM'000 | Variance RM'000 |
|-----------------------------|---|---|--------------------|
| Revenue | 10,878 | 25,773 | (14,895) |
| (Loss)/Profit Before Tax | (7,637) | 3,990 | (11,627) |

Revenue for the current quarter was about RM10.88 million which is RM14.89 million or 57.78% lower than the immediate preceding quarter of RM25.77 million. The decrease is mainly due to resurgence of COVID-19 pandemic and NRP imposed by the Government.

B2. Material Changes in the (Loss)/Profit Before Tax As Compared to the Immediate Preceding Quarter (continued)

For the current quarter under review, the Group posted a loss before tax of RM7.64 million which is RM11.63 million or 291.48% compared to the immediate preceding quarter's profit before tax of RM3.99 million. The loss before tax was mainly due to NRP imposed by the Government for the current quarter under review compared to the Group managed to capture robust Hari Raya Restive sales in the immediate preceding quarter.

B3. Prospects

The economy outlook in the country will be an arduous with uncertainty and unpredictable aftermath of the pandemic despite 95% of adults and 67.7% of adolescents were fully vaccinated as per data shown in COVIDNOW as at 2 November 2021. Hence, the sentiment of the retail garment industry will continue to remain soft and challenging.

Nevertheless, the Group will continue to be vigilant to changes in the business environment in the country. Whilst the Group is robust into rebranding on design, quality of material and promotional strategies planning to embark and adapt to the changes in consumers spending and purchase behavior which repercussion by the pandemic.

B4. Variance from Profit Forecast and Profit Guarantee

Not applicable.

B5. Taxation

No tax payable.

B6. Status of Corporate Proposals

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

Multiple Proposals

On 25 June 2021 and subsequently on 29 July 2021, the Company announced multiple proposals which as follows:

- (i) Proposed bonus issue of up to 255,241,500 new ordinary shares in the Company (“Cheetah Shares” or “Shares”) (“Bonus Shares”) on the basis of 2 Bonus Shares for every 1 existing Share held on an entitlement date to be determined and announced later (“Bonus Entitlement Date”) (“Proposed Bonus Issue of Shares”);
- (ii) Proposed Private Placement of up to 114,858,000 new Shares (“Placement Shares”), representing 30% of the enlarged total number of issued Shares, to independent third-party investor(s) to be identified and at an issue price to be determined later (“Proposed Private Placement”);
- (iii) Proposed bonus issue of up to 248,860,125 free warrants in Cheetah (“Warrants”) on the basis of 1 warrant for every 2 existing Shares held on an entitlement date to be determined and announced later after the completion of the proposed private placement (“Proposed Bonus Issue of Warrants”); and
- (iv) Proposed establishment of an employees’ share options scheme (“ESOS” or “Scheme”) involving up to 15% of the total number of issued shares (excluding Treasury Shares, if any) for eligible directors and employees of the Company and its subsidiaries (“Proposed ESOS”).

The aforementioned Multiple Proposals was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 August 2021.

On 23 August 2021, the Company announced the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on 8 September 2021, being the next market day after the Bonus Entitlement Date. The notices of allotment for the Bonus Shares will be despatched to the entitled shareholders within 4 market days from the date of listing and quotation of the Bonus Shares. On 24 August 2021, the Company announced the notice of Bonus Entitlement Date. The Company had subsequently made an announcement on 7 September 2021 that 255,241,500 Bonus Shares (including 25,522,600 treasury shares) have been issued pursuant to the Bonus Issue of Shares and the same will be listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m. on Wednesday, 8 September 2021. Hence, the Company will have an enlarged total number of 382,862,250 Shares (including 38,283,900 treasury shares). On the 8 September 2021, the Company announced that the Bonus Issue of Shares has been completed following the listing and quotation of 255,241,500 Bonus Shares (including 25,522,600 treasury shares) on the Main Market of Bursa Securities.

There was no other corporate proposal 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:-

| | Previous Quarter | Current Quarter | Accumulated Total |
|--|-------------------------|------------------------|--------------------------|
| Description of shares purchased | Ordinary Share | Bonus Share | Ordinary Share |
| Number of shares purchased | Nil | Nil | Nil |
| Number of shares cancelled | Nil | Nil | Nil |
| Number of shares held as treasury shares | 12,761,300 | 25,522,600 | 38,283,900 |
| Number of treasury shares resold | Nil | Nil | Nil |

The Company will not continue its share buy-back program at the moment as the treasury shares now stand at 9.999% of the company's issued shares, the maximum allowed being 10.0%.

Subsequent to the allotment of 255,241,500 Bonus Shares (including 25,522,600 treasury shares) on 8 September 2021, the total number of treasury shares held by the Company is 38,283,900 shares.

B8. Group Borrowings and Debt Securities

There were no borrowings and debt securities issued as at 30 September 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. (Loss)/Earnings Per Share

The basic (loss)/earnings per share of the Group is calculated by dividing the net (loss)/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 |
|---|---------------------------------------|---|
| | 30.09.2021 | 30.09.2020 |
| Net (Loss)/Profit attributable to shareholders (RM'000) | (7,637) | 1,748 |
| Weighted average number of ordinary shares ('000) | 344,578 | 344,578 |
| Basic earnings (loss)/profit per share (sen) | (2.22) | 0.51* |

**For comparative purpose, the earnings per share for the preceding year corresponding quarter ended 30 September 2020 has been adjusted to reflect the bonus issue of 2 ordinary shares ("Shares") for every 1 existing Share held which was completed on 8 September 2021.*

B12. Loss before taxation

| | Current Year Quarter Ended 30.09.2021 RM'000 | 3 Months Cumulative to Date 30.09.2021 RM'000 |
|--|---|--|
| Loss before tax is arrived at after charging/(crediting):- | | |
| Depreciation of property, plant and equipment | 246 | 246 |
| Depreciation of right-of-use assets | 71 | 71 |
| Depreciation of investment property | 3 | 3 |
| Property, plant and equipment written off | 24 | 24 |
| Provision of inventories written off | 272 | 272 |
| Inventories written down | 196 | 196 |
| Finance costs | 4 | 4 |
| Interest income | (121) | (121) |