

CHEETAH HOLDINGS BERHAD

Registration no.: 199701014907 (430404-H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Current Year Quarter Ended 31/3/2023 RM '000	Comparative Corresponding Quarter Ended 31/3/2022 RM '000	9 Months Cumulative To Date 31/3/2023 RM '000	Comparative 9 Months Cumulative To Date 31/3/2022 RM '000
Revenue	38,281	37,896	109,422	96,171
Cost of Sales	(25,903)	(25,306)	(74,621)	(64,545)
Gross Profit	12,378	12,590	34,801	31,626
Operating Expenses	(11,232)	(10,213)	(30,965)	(21,957)
Other Operating Expenses	(15,011)	(4,894)	(22,695)	(12,255)
Other Operating Income	96	18	5,471	35
Income from Other Investment	19	29	120	212
Finance Costs	(103)	(9)	(168)	(14)
Loss before tax	(13,853)	(2,479)	(13,436)	(2,353)
Taxation	(410)	(478)	(684)	(1,766)
Loss after tax	(14,263)	(2,957)	(14,120)	(4,119)
Attributable to :				
Equity Shareholders of the Company	(14,263)	(2,957)	(14,120)	(4,119)
Loss Per Share (LPS) attributable to equity shareholders the Company				
- Basic (sen)	(2.93)	(0.61)	(2.90)	(0.85)
- 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 2022 and the accompanying explanatory notes attached to this interim financial statements.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2023***(The figures have not been audited)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED As At 31/3/2023 RM '000	AUDITED As At 30/6/2022 RM '000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	15,083	14,025
Rights-of-use assets	4,493	3,637
Investment property	422	431
Other investment	13,917	25,976
	33,915	44,069
Current assets		
Inventories	79,863	45,700
Trade and other receivables	27,031	31,615
Current tax assets	2,559	618
Cash and bank balances	4,193	17,717
Short-term funds	68	8,938
	113,714	104,588
TOTAL ASSETS	147,629	148,657
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the parent		
Share capital	73,134	73,134
Reserves	51,754	65,874
Total Equity	124,888	139,008
Non-current Liabilities		
Lease liabilities	788	963
Deferred tax	735	735
	1,523	1,698
Current Liabilities		
Trade and other payables	15,050	7,413
Lease liabilities	1,603	538
Borrowings	4,565	-
	21,218	7,951
Total Liabilities	22,741	9,649
TOTAL EQUITY AND LIABILITIES	147,629	148,657
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	0.26	0.29

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 2022 and the accompanying explanatory notes attached to this interim financial statements.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	-----Non - Distributable-----			Distributable	Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Capital Reserve RM '000	Retained Earnings RM '000	
<u>9 months ended 31 March 2023</u>					
Balance as at 1 July 2022	73,134	-	582	65,292	139,008
Total comprehensive loss	-	-	-	(14,120)	(14,120)
Balance as at 31 March 2023	<u>73,134</u>	<u>-</u>	<u>582</u>	<u>51,172</u>	<u>124,888</u>
<u>9 months ended 31 March 2022</u>					
Balance as at 1 July 2021	63,810	(6,261)	1,265	72,378	131,192
Total comprehensive loss	-	-	-	(4,119)	(4,119)
Transaction with owners					
Private placement	9,324	-	-	-	9,324
Disposal of treasury shares	-	6,261	(682)	-	5,579
Balance as at 31 March 2022	<u>73,134</u>	<u>-</u>	<u>583</u>	<u>68,259</u>	<u>141,976</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 2022 and the accompanying explanatory notes attached to this interim financial statements.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2023***(The figures have not been audited)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	9 months ended	
	31/3/2023	31/3/2022
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(13,436)	(2,353)
Adjustments for :		
Depreciation of :		
Property, plant and equipment	1,261	769
Investment property	9	9
Right-of-use assets	623	258
Property, plant and equipment written off	88	39
Provision of inventories written off	2,199	2,338
Inventories written down	306	111
Interest income	(120)	(212)
Finance costs	168	14
Loss on disposal of property, plant and equipment	-	49
Impairment losses/(Reversal of impairment losses) on trade receivables	340	(65)
Fair value loss on other investment	12,214	9,300
Operating profit before changes in working capital	<u>3,652</u>	<u>10,257</u>
Changes in working capital :		
Increase in inventories	(36,668)	(5,906)
Decrease/(Increase) in trade and other receivables	4,213	(8,136)
Increase in trade and other payables	7,638	10,129
Cash (used in)/generated from operations	<u>(21,165)</u>	<u>6,344</u>
Tax refunded	126	28
Tax paid	(2,751)	(1,567)
Net cash (used in)/from operating activities	<u>(23,790)</u>	<u>4,805</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(155)	(37,828)
Purchase of property, plant and equipment	(2,408)	(3,708)
Interest income	120	212
Proceeds from disposal of treasury shares	-	5,578
Net cash used in investing activities	<u>(2,443)</u>	<u>(35,746)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(73)	-
Payments of lease liabilities	(653)	(259)
Drawdown of bankers' acceptance	8,160	-
Repayment of bankers' acceptance	(3,595)	-
Proceed from private placement	-	9,324
Net cash from financing activities	<u>3,839</u>	<u>9,065</u>
Net decrease in cash and cash equivalents	(22,394)	(21,876)
Cash and cash equivalents at the beginning of the financial period	26,655	52,950
Cash and cash equivalents at the end of the financial period	<u><u>4,261</u></u>	<u><u>31,074</u></u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	68	5,453
Cash and bank balances	4,193	25,621
	<u><u>4,261</u></u>	<u><u>31,074</u></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 2022 and the accompanying explanatory notes attached to this interim financial statements.

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2023**

**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 2022. 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 2022.

New Standards and Amendments in issue but not yet effective

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

Title	Effective Date
<i>Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)</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>Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contract)</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>Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)</i>	1 January 2023
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)</i>	Deferred

A1. Basis of Preparation and Consolidation (continued)

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

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments are not expected to have a 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 2022 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 the assets, liabilities, equity, net income, or cash flows of the Group for the current 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. 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 2022.

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.

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**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2023
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

Quarter ended	Current year Quarter 31.3.2023 RM'000	Previous Year Corresponding Quarter 31.3.2022 RM'000	Variance RM'000	Variance %
Revenue	38,281	37,896	385	1.02
Loss Before Tax	(13,853)	(2,479)	(11,374)	(458.81)

The Group recorded a revenue of RM38.28 million for the current quarter under review, an increase of RM0.38 million or 1.00% compared to RM37.90 million recorded in the previous year's corresponding quarter. The slight increase in Group revenue was due to resilience in footfall for the current quarter under review.

The loss before tax for the current quarter was RM13.85 million, an increase of RM11.37 million or 458.47% compared to loss before tax of RM2.48 million recorded in the previous year's corresponding quarter. The higher loss before tax for the current quarter under review was due to an increase in fair value loss on the investment in quoted shares.

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.

Quarter ended	Current Quarter 31.3.2023 RM'000	Preceding Quarter 31.12.2022 RM'000	Variance RM'000	Variance %
Revenue	38,281	38,444	(163)	(0.42)
(Loss)/Profit Before Tax	(13,853)	5,623	(19,476)	(346.36)

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

Revenue for the current quarter was RM38.28 million which is RM0.16 million or 0.42% lower than the immediate preceding quarter of RM38.44 million. The revenue was tantamount as compared to the immediate preceding quarter and the current quarter under review.

For the current quarter under review, the Group posted a loss before tax of RM13.85 million which is RM19.48 million or 346.62% lower compared to the immediate preceding quarter's profit before tax of RM5.62 million. The loss before tax was due to an increase in operating expenses and fair value loss on the investment in quoted shares.

B3. Prospects

Despite resilient of the retail garment industry, the economic outlook in the country remains challenging and volatile emanate from rising of interest rate, supply chain issues, increase in materials cost, labour and freight charges.

Barring any unforeseen circumstances, the Group remains vigilant about the changes in the business environment in the country. The Group will continue to emphasise better cost control, scale up automation initiatives and improve operational efficiency.

B4. Variance from Profit Forecast and Profit Guarantee

Not applicable.

B5. Taxation

The breakdown of taxation is as follows:

	Current Quarter	Year-to-Date
Tax Provision:	RM'000	RM'000
Current	410	684
Total income tax provision	410	684

The Group's effective tax rate for the current quarter and current financial year is higher than the statutory rate of 24% mainly due to certain expenses and provisions which are not deductible for tax purposes.

B6. Status of Corporate Proposals

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

B7. Utilisation of Proceeds

Private Placement

On 4 January 2022, the Company announced (“Price-fixing Date”) fixed the issue price for the placement of 103,373,000 Placement Shares, being the first and final tranche of the Private Placement, at RM0.0902 per Placement Share (“Issue Price”). The Issue Price represents a discount of 19.96% to the 5-day VWAP of the Shares up to and including 3 January 2022 of RM0.1127, being the last market day immediately preceding the Price-fixing Date. On 13 January 2022, the Company announced the latest issue share capital after the Private Placement of 103,373,000 Placement Shares. On 14 January 2022, the Company announced that the Private Placement has been completed following the listing and quotation of 103,373,000 Placement Shares, being the first and final tranche of Placement Shares for the Private Placement and the details of the utilisation of proceeds raised from the Private Placement as at 31 March 2023 are disclosed in the table below:

Item	Description	Intended Timeframe for Utilisation from 14 January 2022 (date of listing	Proposed Utilisation	Actual Utilisation as at 31 March 2023	Balance Available for Utilisation
			RM'000	RM'000	RM'000
1	Rebranding and marketing exercise	Within 24 months	4,745	4,745	-
2	Acquisition and/or investment in other complementary businesses and/or assets/or working capital	Within 24 months	4,000	4,000	-
3	Expenses for the Proposals	Immediate	579	579	-
		Total	9,324	9,324	-

B8. Group Borrowings and Debt Securities

	As at	As at
	31.3.2023	30.06.2022
	RM'000	RM'000
Short-term (Unsecured)		
Banker's acceptance	4,565	-

The above borrowing was denominated in Ringgit Malaysia.

B9. Material Litigation

There is no material litigation 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 Per Share

The basic loss per share of the Group is calculated by dividing the net loss 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
	31.3.2023	31.3.2022
Net Loss attributable to shareholders (RM'000)	14,263	2,957
Weighted average number of ordinary shares ('000)	486,235	486,235
Basic loss per share (sen)	2.93	0.61

B12. Loss before tax

	Current Year Quarter Ended 31.3.2023 RM'000	9 Months Cumulative to Date 31.3.2023 RM'000
Loss before tax is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	438	1,261
Depreciation of right-of-use assets	230	623
Depreciation of investment property	3	9
Property, plant and equipment written off	18	88
Provision of inventories written off	392	2,199
Inventories written down	99	306
Finance costs	103	168
Interest income	(19)	(120)