

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2015****(The figures have not been audited)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015**

	Current Year Quarter Ended 31/12/2015 RM '000	Comparative Corresponding Quarter Ended 31/12/2014 RM '000	6 Months Cumulative To Date 31/12/2015 RM '000	Comparative 6 Months Cumulative To Date 31/12/2014 RM '000
Revenue	30,831	30,932	61,495	67,252
Operating Expenses	(9,998)	(9,802)	(20,779)	(20,779)
Other Operating Expenses	(786)	(950)	(1,625)	(1,775)
Other Operating Income	90	15	288	71
Income from Other Investment	546	253	657	353
Finance Costs	(33)	(34)	(52)	(68)
Profit / (Loss) Before Tax	1,570	844	1,737	2,983
Income Tax Expenses	(376)	(218)	(419)	(757)
Profit For The Period	1,194	626	1,318	2,226
Attributable to :				
Equity Shareholders of the Company	1,194	626	1,318	2,226
Earnings Per Share (EPS) attributable to equity shareholders the Company				
- Basic (sen)	1.00	0.51	1.10	1.82
- Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the audited annual financial report for the year ended 30 June 2015

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As At 31/12/2015 RM '000	AUDITED As At 30/06/2015 RM '000
ASSETS		
Property, plant and equipment	20,367	20,284
Prepaid lease payments	2,387	2,403
Investment properties	614	623
	23,368	23,310
Current assets		
Inventories	71,300	74,086
Trade receivables	27,955	26,952
Other receivables, deposits and prepayments	831	790
Tax recoverable	809	513
Short term deposits with financial institutions	29,837	22,281
Cash and bank balances	4,146	9,115
	134,878	133,737
TOTAL ASSETS	158,246	157,047
EQUITY		
Share capital	63,810	63,810
Treasury Shares	(4,431)	(4,130)
Reserves	68,962	68,533
Total Equity	128,341	128,213
Non-current Liabilities		
Deferred tax	1,001	1,001
Hire Purchase Creditor	116	152
	1,117	1,153
Current Liabilities		
Trade payables	20,802	23,466
Other payables and accruals	2,383	2,282
Hire Purchase Creditor	73	73
Short term borrowings	5,462	1,853
Provision for taxation	68	7
	28,788	27,681
Total Liabilities	29,905	28,834
TOTAL EQUITY AND LIABILITIES	158,246	157,047
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	1.08	1.07

The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the audited annual financial report for the year ended 30 June 2015

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2015

	Period Ended 31/12/2015 RM '000	Period Ended 31/12/2014 RM '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,737	2,983
Adjustment for :		
Depreciation of :		
Property, plant & equipment	1,607	1,542
Investment properties	9	2
Property, plant & equipment written off	13	172
Provision for Inventories written off	1,536	-
Amortisation of prepaid lease payment	16	17
Allowance for doubtful debts	-	-
Bad debt written off	-	-
Interest income	(657)	(353)
Finance cost	52	68
Operating profit before changes in working capital	<u>4,313</u>	<u>4,431</u>
Changes in working capital :		
(Increase)/decrease in inventories	1,250	8,366
(Increase)/decrease in receivables	(1,003)	973
(Increase)/decrease in other receivables and prepaid expenses	(41)	(312)
(Decrease)/ increase in payables	(2,664)	(10,080)
(Decrease)/ increase in other payable and accrued expenses	101	(300)
Tax paid	(654)	(1,276)
Net cash (used in) / from operating activities	<u>1,302</u>	<u>1,802</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,702)	(1,971)
Interest income	657	353
Net cash used in investing activities	<u>(1,045)</u>	<u>(1,618)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in short -term borrowings - unsecured	3,609	(996)
Net drawdown of hire purchase obligations	(37)	(37)
Dividend paid	(890)	(1,513)
Purchase of treasury shares	(300)	(1,273)
Finance cost	(52)	(68)
Net cash used in financing activities	<u>2,330</u>	<u>(3,887)</u>
Net decrease in cash and cash equivalents	2,587	(3,703)
Cash and cash equivalents at the beginning of the financial period	<u>31,396</u>	<u>25,274</u>
Cash and cash equivalents at the end of the financial period	<u><u>33,983</u></u>	<u><u>21,571</u></u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	29,837	15,541
Cash and bank balances	4,146	6,030
	<u><u>33,983</u></u>	<u><u>21,571</u></u>

The Condensed Cash Flow Statement should be read in conjunction with the audited annual financial report for the year ended 30 June 2015

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CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015

	Share Capital RM '000	Treasury Shares RM '000	Non - Distributable Capital Reserve RM '000	Distributable Retained Earnings RM '000	Total RM '000
<u>6 months ended 31 December 2015</u>					
As at 1 July 2015	63,810	(4,130)	1,264	67,269	128,213
Total comprehensive income for the year	-	-	-	1,318	1,318
Dividend paid	-	-	-	(890)	(890)
Shares bought-back held as treasury shares	-	(300)	-	-	(300)
As at 31 December 2015	<u>63,810</u>	<u>(4,430)</u>	<u>1,264</u>	<u>67,697</u>	<u>128,341</u>
<u>6 months ended 31 December 2014</u>					
As at 1 July 2014	63,810	(2,857)	1,264	66,157	128,374
Total comprehensive income for the year	-	-	-	2,226	2,226
Shares bought-back held as treasury shares	-	(1,273)	-	-	(1,273)
Dividend paid	-	-	-	(1,513)	(1,513)
As at 30 December 2014	<u>63,810</u>	<u>(4,130)</u>	<u>1,264</u>	<u>66,870</u>	<u>127,814</u>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited annual financial report for the year ended 30 June 2015

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

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 2015. 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 financial year ended 30 June 2015.

Adoption of new and revised Malaysian Financial Reporting Standards

In the current financial period ended 31 December 2015, the Group adopted all the new and revised MFRSs and Issues Committee Interpretations (IC Interpretations) and amendments to MFRSs issued by the MASB which became effective for annual financial periods beginning on or after 1 July 2015.

Amendments to MFRS 10, Consolidated Financial Statements, Disclosure of
MFRS 12 and MFRS 127 Interests in Other Entities and Separate Financial
Statements
-Investment Entities

Amendments to MFRS 132 Financial Instruments : Presentation
-Offsetting Financial Assets and Financial
Liabilities

Amendments to MFRS 136 Impairment of Assets
-Recoverable Amount Disclosure for Non-
Financial Assets

Amendments to MFRS 139 Financial Instruments : Recognition and
Measurement
-Novation of Derivatives and Continuation of
Hedge Accounting

IC Int. 21

Levies

Amendments to MFRSs	Annual Improvements to MFRSs 2010 ó 2012 Cycle
Amendments to MFRSs	Annual Improvements to MFRSs 2011 ó 2013 Cycle
Amendments to MFRS 119	Defined Benefit Plan -Employee Contributions

The adoption of the abovementioned Standards and IC Interpretations did not have any material impact on the financial statements of the Group.

Standards and IC Interpretations in issue but not yet effective

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an investor and its Associate or Joint Venture ¹
Amendments to MFRS 10 , MFRS 12 and MFRS 128	Investment Entities : Applying the Consolidation Exception ¹
Amendments to MFRS 11	Accounting for Acquisition of Interests In Joint Operations ¹
Amendments to MFRS 101	Disclosure Initiative ¹
Amendments to MFRS 116	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 116	Agriculture : Bearer Plants ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statement ¹
Amendments to MFRSs	Annual Improvement to MFRSs 2012 to 2014 Cycle ¹
MFRS 15	Revenue from Contracts with Customers ²
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ³
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ³
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS as issued by IASB in November 2009 and October 2010) and Transition Disclosure ³

MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 8 and MFRS 139) ³
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014) ³

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

The Directors anticipate that the abovementioned Standards will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

A2. Preceding Audited Financial Statements

The audited financial statements of the Group for the preceding year ended 30 June 2015 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

The first and final single tier dividend of 0.75 sen per ordinary share in respect of financial year ended 30 June 2015 amounting to RM0.89 million was paid on 16 December 2015.

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 2015.

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.

A.11 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.

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

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 RM30.83 million for the current quarter under review, a slight decrease as compared to RM30.93 million as recorded in the previous year corresponding quarter.

Profit Before Taxation for the current quarter was RM1.57 million, an increase of RM0.73 million or 86.90% as compared to RM0.84 million as recorded in the previous year corresponding quarter. The increase in profit before tax was due to better margins.

The cumulative revenue for the period ended 31 December 2015 decreased from RM67.25 million to RM61.50 million, due to slower sales arising from weaker consumer spending and slowdown in the economy.

The Cumulative Profit Before Tax for the period ended 31 December 2015 was RM1.74 million, a decrease of RM1.24 million or 41.61% as compared to RM2.98 million recorded in the previous year corresponding quarter, in tandem with the decrease in revenue.

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

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

	Current Quarter	Preceding Quarter	Variance
Period ended	31.12.2015	30.09.2015	
	(RM'000)	(RM'000)	(RM'000)
Revenue	30,831	30,664	167
Profit / (Loss) Before Tax	1,570	167	1,403

Revenue for current quarter was RM30.83 million, which is RM0.17 million or 0.54% higher than that of the immediate preceding quarter of RM30.66 million.

For the current quarter ended 31 December 2015, the Group posted a Profit Before Tax of RM 1.57 million, an increase of RM1.40 million as compared to the immediate preceding quarter Profit Before tax of RM0.17 million. The increase was mainly due to better margins.

B3. Prospects

Faced with a slowdown in the economy, weak consumer spending in the retail apparel industry plus heavy competition fighting for market share, the Company expects another challenging year. However, the Company has introduced and looking to introduce new brands and product lines, control/reduce costs to turn in a positive performance in the current financial year.

B4. Variance from Profit Forecast and Profit Guarantee

Not applicable.

B5. Taxation

The breakdown of taxation is as follows:-

	Current Quarter	Year – to –Date
	RMø000	RMø000
Current quarter taxation	422	465
Taxation overprovided in FY 2015	(46)	(46)
Total	376	419

Income tax is calculated at the statutory rate of 24% of the taxable profit for the period.

B6. Status of Corporate Proposals

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	609,200	8,943,800
Number of shares cancelled	-	-
Number of shares held as treasury shares	609,200	8,943,800
Number of treasury shares resold	-	-

B8. Group Borrowings and Debt Securities

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

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowings	-	5,462	5,462
Hire Purchase Payables	189	-	189
	189	5,462	5,651

There was no debt securities issued in the quarter ended 31 December 2015.

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 interim dividend has been declared 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 31/12/2015	Preceding Year Corresponding Quarter 31/12/2014
Net profit attributable to shareholders (RM :000)	1,194	626
<i>Weighted average number of ordinary shares of RM 0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares (:000)	119,273	121,495
	-----	-----
Basic earnings per share (sen)	1.00	0.51
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B12. Realised And Unrealised Retained Earnings

	Group as at 31/12/2015 (RM'000)
Total retained earnings	
- Realised	111,657
- Unrealised	(1,001)
Less: consolidation adjustments	(41,695)
Total group reserves as per consolidated accounts	68,961

B13. Profit Before Taxation

	Current Year Quarter Ended 31.12.2015 RM'000	6 Months Cumulative to Date 31.12.2015 RM'000
Profit Before Tax is arrived at after charging /(crediting):-		
Amortisation of prepaid lease payment	7	16
Depreciation of property, plant and equipment	814	1,607
Depreciation of Investment Properties	5	9
Property, plants and equipment written off	12	13
Provision of inventories written off	841	1,607
Interest income	(546)	(657)
Finance cost	33	52