

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2016****(The figures have not been audited)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2016**

	Current Year Quarter Ended 31-03-16 RM '000	Comparative Corresponding Quarter Ended 31-03-15 RM '000	9 Months Cumulative To Date 31-03-16 RM '000	Comparative 9 Months Cumulative To Date 31-03-15 RM '000
Revenue	29,928	33,009	91,423	100,261
Operating Expenses	(12,636)	(12,448)	(33,415)	(33,227)
Other Operating Expenses	(1,007)	(868)	(2,632)	(2,643)
Other Operating Income	138	10	426	81
Income from Other Investment	153	128	810	481
Finance Costs	(55)	(58)	(107)	(126)
Profit / (Loss) Before Tax	(1,403)	(1,348)	334	1,635
Income Tax Credit/ (Expenses)	333	325	(86)	(432)
(Loss)/Profit For The Period	(1,070)	(1,023)	248	1,203
Attributable to :				
Equity Shareholders of the Company	(1,070)	(1,023)	248	1,203
(Loss)/Earnings Per Share (EPS) attributable to equity shareholders the Company				
- Basic (sen)	(0.90)	(0.85)	0.20	0.97
- 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 THIRD QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As At 31-03-16 RM '000	AUDITED As At 30/06/2015 RM '000
ASSETS		
Property, plant and equipment	20,626	20,284
Prepaid lease payments	2,378	2,403
Investment properties	610	623
	<u>23,614</u>	<u>23,310</u>
Current assets		
Inventories	65,045	74,086
Trade receivables	25,490	26,952
Other receivables, deposits and prepayments	1,252	790
Tax recoverable	1,135	513
Short term deposits with financial institutions	24,533	22,281
Cash and bank balances	5,162	9,115
	<u>122,617</u>	<u>133,737</u>
TOTAL ASSETS	<u>146,231</u>	<u>157,047</u>
EQUITY		
Share capital	63,810	63,810
Treasury Shares	(4,519)	(4,130)
Reserves	67,892	68,533
Total Equity	<u>127,183</u>	<u>128,213</u>
Non-current Liabilities		
Deferred tax	1,001	1,001
Hire Purchase Creditor	98	152
	<u>1,099</u>	<u>1,153</u>
Current Liabilities		
Trade payables	11,376	23,466
Other payables and accruals	1,504	2,282
Hire Purchase Creditor	73	73
Short term borrowings	4,928	1,853
Provision for taxation	68	7
	<u>17,949</u>	<u>27,681</u>
Total Liabilities	19,048	28,834
TOTAL EQUITY AND LIABILITIES	<u>146,231</u>	<u>157,047</u>
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	1.07	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 THIRD QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2016

	Period Ended 31-03-16 RM '000	Period Ended 31-03-15 RM '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	334	1,635
Adjustment for :		
Depreciation of :		
Property, plant & equipment	2,446	2,337
Investment properties	13	2
Property, plant & equipment written off	133	179
Provision for Inventories written off	2,248	2,011
Amortisation of prepaid lease payment	25	25
Allowance for doubtful debts	-	-
Bad debt written off	-	-
Interest income	(810)	(481)
Finance cost	107	126
Operating profit before changes in working capital	<u>4,496</u>	<u>5,834</u>
Changes in working capital :		
(Increase)/decrease in inventories	6,793	10,685
(Increase)/decrease in receivables	1,462	(646)
(Increase)/decrease in other receivables and prepaid expenses	(462)	17
(Decrease)/ increase in payables	(12,090)	(12,033)
(Decrease)/ increase in other payable and accrued expenses	(778)	(460)
Tax refunded	-	49
Tax paid	(645)	(1,825)
Net cash (used in) / from operating activities	<u>(1,224)</u>	<u>1,621</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,922)	(2,888)
Interest income	810	481
Net cash used in investing activities	<u>(2,112)</u>	<u>(2,407)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in short -term borrowings - unsecured	3,075	(2,507)
Net drawdown of hire purchase obligations	(55)	(55)
Dividend paid	(890)	(1,513)
Purchase of treasury shares	(388)	(1,273)
Finance cost	(107)	(126)
Net cash used in financing activities	<u>1,635</u>	<u>(5,474)</u>
Net decrease in cash and cash equivalents	(1,701)	(6,260)
Cash and cash equivalents at the beginning of the financial period	31,396	25,274
Cash and cash equivalents at the end of the financial period	<u>29,695</u>	<u>19,014</u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	24,533	15,601
Cash and bank balances	5,162	3,413
	<u>29,695</u>	<u>19,014</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 THIRD QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

	Share Capital RM '000	Treasury Shares RM '000	Non - Distributable Capital Reserve RM '000	Distributable Retained Earnings RM '000	Total RM '000
<u>9 months ended 31 March 2016</u>					
As at 1 July 2015	63,810	(4,130)	1,264	67,269	128,213
Total comprehensive income for the year	-	-	-	248	248
Dividend paid	-	-	-	(890)	(890)
Shares bought-back held as treasury shares	-	(388)	-	-	(388)
As at 31 March 2016	<u>63,810</u>	<u>(4,518)</u>	<u>1,264</u>	<u>66,627</u>	<u>127,183</u>
<u>9 months ended 31 March 2015</u>					
As at 1 July 2014	63,810	(2,857)	1,264	66,157	128,374
Total comprehensive income for the year	-	-	-	1,203	1,203
Shares bought-back held as treasury shares	-	(1,273)	-	-	(1,273)
Dividend paid	-	-	-	(1,513)	(1,513)
As at 31 March 2015	<u>63,810</u>	<u>(4,130)</u>	<u>1,264</u>	<u>65,847</u>	<u>126,791</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 THIRD QUARTER ENDED 31 MARCH 2016

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, MFRS 12 and MFRS 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements -Investment Entities
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Amendments to MFRS 132	Financial Instruments : Presentation -Offsetting Financial Assets and Financial Liabilities
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Amendments to MFRS 136	Impairment of Assets -Recoverable Amount Disclosure for Non- Financial Assets
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Amendments to MFRS 139	Financial Instruments : Recognition and Measurement -Novation of Derivatives and Continuation of Hedge Accounting
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IC Int. 21

Levies

Amendments to MFRSs	Annual Improvements to MFRSs 2010 – 2012 Cycle
Amendments to MFRSs	Annual Improvements to MFRSs 2011 – 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

MFERS 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

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 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 THIRD QUARTER ENDED 31 MARCH 2016

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 RM29.93 million for the current quarter under review, a decrease of RM3.08 million or 9.33% as compared to RM33.01 million as recorded in the previous year corresponding quarter.

Despite the lower revenue, Loss Before Taxation for the current quarter was RM1.40 million compared to a Loss Before Taxation of RM1.35 million as recorded in the previous year corresponding quarter as the Group managed to control costs to a similar level as previous year.

The cumulative revenue for the period ended 31 March 2016 was RM91.42 million, a decrease of RM8.84 million or 8.82% as compared to RM100.26 million recorded in the previous year corresponding period, due to slower sales arising from weaker consumer spending and general slowdown in the overall retail sector.

The Cumulative Profit Before Tax for the period ended 31 March 2016 was RM0.33 million, a decrease of RM1.31 million or 79.88% as compared to RM1.64 million as recorded in the previous year corresponding period as a result of lower sales leading to a lower profit despite the Group's efforts at cost controls.

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	31.03.2016	31.12.2015	
	(RM'000)	(RM'000)	(RM'000)
Revenue	29,928	30,831	(903)
Profit / (Loss) Before Tax	(1,403)	1,570	(2,973)

Revenue for current quarter was RM29.93 million, which is RM0.90 million or 2.92% lower than that of the immediate preceding quarter of RM30.83 million. In the current quarter, the 2016 Chinese New Year Festive Sales did not do as well as in other years.

For the current quarter ended 31 March 2016, the Group posted a Loss Before Tax of RM 1.40 million, a decrease of RM2.97 million as compared to the immediate preceding quarter Profit Before tax of RM1.57 million. The decrease was mainly due to slower sales despite the Chinese New Year Festive Sales weighed down further by higher seasonal festive operating expenses.

B3. Prospects

Faced with a slowdown in the economy, forecasted weak consumer spending in the overall retail industry plus intense competition, the Company has introduced new brands and product lines, build up existing brands with potential, further control/reduce costs and depending upon Hari Raya Festive Sales in the final quarter, expect 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
	RM'000	RM'000
Current quarter taxation	(333)	132
Taxation overprovided in FY 2015	-	(46)
Total	(333)	86

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	243,700	9,187,500
Number of shares cancelled	-	-
Number of shares held as treasury shares	243,700	9,187,500
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	-	4,928	4,928
Hire Purchase Payables	171	-	171
	171	4,928	5,099

There were no debt securities issued in the quarter ended 31 March 2016.

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	Preceding Year
	Quarter Ended	Corresponding
	(31/03/2016)	Quarter Ended
		(31/03/2015)
Net (Loss) attributable to shareholders (RM'000)	(1,070)	(1,023)
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares ('000)	118,433	120,991
Basic (Loss) per share (sen)	(0.90)	(0.85)

B12. Realised And Unrealised Retained Earnings

	Group as at 31/03/2016 (RM'000)
Total retained earnings	
- Realised	110,588
- Unrealised	(1,001)
Less: consolidation adjustments	(41,695)
Total group reserves as per consolidated accounts	67,892

B13. Profit Before Taxation

	Current Year Quarter Ended 31.03.2016 RM'000	9 Months Cumulative to Date 31.03.2016 RM'000
Profit Before Tax is arrived at after charging /(crediting):-		
Amortisation of prepaid lease payment	9	25
Depreciation of property, plant and equipment	839	2,446
Depreciation of Investment Properties	4	13
Property, plants and equipment written off	120	133
Provision of inventories written off	677	2,284
Interest income	(153)	(810)
Finance cost	55	107