

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2016****(The figures have not been audited)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Current Year Quarter Ended 30-09-16 RM '000	Comparative Corresponding Quarter Ended 30-09-15 RM '000	3 Months Cumulative To Date 30-09-16 RM '000	Comparative 3 Months Cumulative To Date 30-09-15 RM '000
Revenue	25,593	30,664	25,593	30,664
Operating Expenses	(10,993)	(10,781)	(10,993)	(10,781)
Other Operating Expenses	(925)	(839)	(925)	(839)
Other Operating Income	2	198	2	198
Income from Other Investment	244	111	244	111
Finance Costs	(25)	(19)	(25)	(19)
Profit Before Tax	(1,619)	167	(1,619)	167
Income Tax Expenses	(12)	(43)	(12)	(43)
Profit For The Period	(1,631)	124	(1,631)	124
Attributable to :				
Equity Shareholders of the Company	(1,631)	124	(1,631)	124
Earnings Per Share (EPS) attributable to equity shareholders the Company				
- Basic (sen)	(1.39)	0.10	(1.39)	0.10
- 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 2016

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As At 30-09-16 RM '000	AUDITED As At 30-06-16 RM '000
ASSETS		
Property, plant and equipment	19,846	20,433
Prepaid lease payments	2,362	2,370
Investment properties	443	447
	<u>22,651</u>	<u>23,250</u>
Current assets		
Inventories	74,462	65,293
Trade receivables	22,241	32,337
Other receivables, deposits and prepayments	1,094	641
Tax recoverable	555	365
Short term deposits with financial institutions	28,404	31,060
Cash and bank balances	6,947	3,987
	<u>133,703</u>	<u>133,683</u>
TOTAL ASSETS	<u>156,354</u>	<u>156,933</u>
EQUITY		
Share capital	63,810	63,810
Treasury Shares	(5,063)	(5,013)
Reserves	68,279	69,910
Total Equity	<u>127,026</u>	<u>128,707</u>
Non-current Liabilities		
Deferred tax	908	901
Hire Purchase Creditor	-	79
	<u>908</u>	<u>980</u>
Current Liabilities		
Trade payables	18,752	19,636
Other payables and accruals	1,666	2,760
Hire Purchase Creditor	134	73
Short term borrowings	7,868	4,777
Provision for taxation	-	-
	<u>28,420</u>	<u>27,246</u>
Total Liabilities	<u>29,328</u>	<u>28,226</u>
TOTAL EQUITY AND LIABILITIES	<u>156,354</u>	<u>156,933</u>
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	1.08	1.10

The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the audited annual financial report for the year ended 30 June 2016

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Year Ended 30-09-16 RM '000	Year Ended 30-09-15 RM '000
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	(1,619)	167
Adjustments for :		
Depreciation of :		
Property, plant and equipment	859	793
Investment properties	4	4
Property, plant and equipment written off	18	1
Provision of Inventories written off / Inventories written off	639	766
Amortisation of prepaid lease payments	8	8
Interest income	(244)	(111)
Finance costs	25	19
Operating profit before changes in working capital	<u>(310)</u>	<u>1,647</u>
Changes in working capital :		
Decrease in inventories	(9,808)	2,327
Increase in receivables	10,096	891
Decrease in other receivables and prepaid expenses	(453)	5
Decrease in payables	(884)	(10,228)
Increase in other payable and accrued expenses	(1,094)	(777)
Cash generated from operations	<u>(2,453)</u>	<u>(6,135)</u>
Tax paid	(194)	(590)
Net cash from operating activities	<u>(2,647)</u>	<u>(6,725)</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(291)	(602)
Interest income	244	111
Net cash used in investing activities	<u>(47)</u>	<u>(491)</u>
CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Decrease in short-term borrowings - unsecured	3,091	2,045
Net drawdown of hire purchase obligations	(18)	(18)
Dividend paid	-	-
Purchase of treasury shares	(50)	(29)
Finance costs paid	(25)	(19)
Net cash from/(used in) financing activities	<u>2,998</u>	<u>1,979</u>
Net increase in cash and cash equivalents	304	(5,237)
Cash and cash equivalents at the beginning of the financial year	<u>35,047</u>	<u>31,396</u>
Cash and cash equivalents at the end of the financial year	<u><u>35,351</u></u>	<u><u>26,159</u></u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	28,404	21,407
Cash and bank balances	<u>6,947</u>	<u>4,752</u>
	<u><u>35,351</u></u>	<u><u>26,159</u></u>

The Condensed Cash Flow Statement should be read in conjunction with the audited annual financial report for the year ended 30 June 2016

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2016
(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	Share Capital RM '000	Treasury Shares RM '000	Non - Distributable Capital Reserve RM '000	Distributable Retained Earnings RM '000	Total RM '000
<u>3 months ended 30 September 2016</u>					
As at 1 July 2016	63,810	(5,013)	1,264	68,646	128,707
Total comprehensive income for the year	-	-	-	(1,631)	(1,631)
Dividend paid	-	-	-	-	-
Shares buy-back held as treasury shares	-	(50)	-	-	(50)
As at 30 September 2016	<u>63,810</u>	<u>(5,063)</u>	<u>1,264</u>	<u>67,015</u>	<u>127,026</u>
<u>3 months ended 30 September 2015</u>					
As at 1 July 2015	63,810	(4,130)	1,264	67,269	128,213
Total comprehensive income for the year	-	-	-	124	124
Dividend paid	-	-	-	-	-
Shares buy-back held as treasury shares	-	(29)	-	-	(29)
As at 30 September 2015	<u>63,810</u>	<u>(4,159)</u>	<u>1,264</u>	<u>67,393</u>	<u>128,308</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 2016

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2016. 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 quarter year ended 30 September 2016.

Standards in Issue But Not Yet Effective

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

MFRS 14	Regulatory Deferral Accounts ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to MFRS 101	Disclosure Initiative ¹
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ¹
Amendments to MFRSs	Annual Improvement to MFRSs 2012 - 2014 Cycle ¹

Amendments to MFRS 107	Disclosure Initiative ²
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses 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 9 as issued by IASB in November 2009 and October 2010) and Transition Disclosures ³
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139) ³
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014) ³
MFRS 15	Revenue from Contracts with Customers ³
Clarifications to MFRS 15	Revenue from Contracts with Customers ³
MFRS 16	Leases ⁴

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

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

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

⁴ Effective for annual periods beginning on or after January 1, 2019

⁵ The effective date has been deferred to a date to be announced by MASB

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 2016 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 2016.

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 FIRST QUARTER ENDED 30 SEPTEMBER 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 revenue of RM25.59 million for the current quarter under review, a decrease of RM5.07 million or 16.54% as compared to RM30.66 million as recorded in the previous year corresponding quarter. The decrease in revenue is due to the Hari Raya Festive Sales being captured in previous year corresponding quarter due to seasonal sales.

Loss before tax for the current quarter was RM1.62 million, compared to a profit of RM0.17 million recorded in the previous year corresponding quarter. The loss was incurred on the back of lower revenue as well as increase in operation costs such as minimum wages as recorded in this quarter.

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	30.09.2016	30.06.2016	
	(RM'000)	(RM'000)	(RM'000)
Revenue	25,593	35,271	(9,678)
Profit/(Loss) Before Tax	(1,619)	2,932	N/A

Revenue for current quarter was RM25.59 million, which is RM9.68 million or 27.44% lower than that of the immediate preceding quarter of RM35.27 million due to Hari Raya Festive Sales recorded in the immediate preceding quarter as compared to current quarter under review due to seasonal sales.

For the current quarter ended 30 September 2016, the Group posted a loss before tax of RM1.62 million, compared to the immediate preceding quarter profit before tax of RM2.93 million. The loss before tax was due to lower revenue and higher operating expenses.

B3. Prospects

Judging from this first quarter's sales, the retail sales sector is expected to deteriorate further in the coming year before there will be a recovery in consumer spending and an improvement in retail sales. Meantime, the cost of doing business keeps increasing hence posing a very challenging time for the Company to maintain a positive performance.

However, the Company is taking measures and actions to improve sales of its products and to keep costs in check in order to turn in a positive performance in the next three (3) quarters of the 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
Tax Provision :	RM'000	RM'000
Current	12	12
Total	12	12

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	107,800	10,333,200
Number of shares cancelled		
Number of shares held as treasury shares		
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	-	7,868	7,868
Hire purchase payables	134	-	134
	134	7,868	8,002

There were no debt securities issued as at 30 September 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 Quarter Ended	Preceding Year Corresponding Quarter Ended
	30/09/2016	30/09/2015
Net profit / (Loss) attributable to shareholders (RM'000)	(1,631)	124
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares ('000)	117,384	119,351
Basic earnings (loss) per share (sen)	(1.39)	0.10

B12. Realised And Unrealised Retained Earnings

	Group as at 30/09/2016 (RM'000)
Total retained earnings (loss)	
- Realised	109,618
- Unrealised	(908)
Less: consolidation adjustments	(41,695)
Total Group retained earnings as per consolidated accounts	67,015

B13. Profit before taxation

	Current Year Quarter Ended 30.09.2016 RM'000	3 Months Cumulative to Date 30.09.2016 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Amortisation of prepaid lease payments	8	8
Depreciation of property, plant and equipment	859	859
Depreciation of investment properties		
Impairment loss on investment properties	1	1
Property, plants and equipment written off	18	18
Provision of inventories written off	639	639
Interest income	(244)	(244)
Finance costs	25	25