

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2017****(The figures have not been audited)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

	Current Year Quarter Ended 31-03-17 RM '000	Comparative Corresponding Quarter Ended 31-03-16 RM '000	9 Months Cumulative To Date 31-03-17 RM '000	Comparative 9 Months Cumulative To Date 31-03-16 RM '000
Revenue	28,037	29,928	85,887	91,423
Operating Expenses	(12,324)	(12,636)	(33,711)	(33,415)
Other Operating Expenses	(901)	(1,007)	(2,923)	(2,632)
Other Operating Income	47	138	78	426
Income from Other Investment	162	153	634	810
Finance Costs	(74)	(55)	(163)	(107)
Profit / (Loss) Before Tax	(2,830)	(1,403)	(2,941)	334
Income Tax Credit / (Expenses)	(171)	333	(390)	(86)
Profit / (Loss) For The Period	(3,001)	(1,070)	(3,331)	248
Attributable to :				
Equity Shareholders of the Company	(3,001)	(1,070)	(3,331)	248
Earnings Per Share (EPS) attributable to equity shareholders the Company				
- Basic (sen)	(2.56)	(0.90)	(2.84)	0.20
- 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

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2017 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As At 31-03-17 RM '000	AUDITED As At 30-06-16 RM '000
ASSETS		
Property, plant and equipment	18,600	20,433
Prepaid lease payments	2,345	2,370
Investment properties	434	447
	<u>21,379</u>	<u>23,250</u>
Current assets		
Inventories	82,285	65,293
Trade receivables	21,762	32,337
Other receivables, deposits and prepayments	1,252	641
Tax recoverable	803	365
Short term deposits with financial institutions	19,186	31,060
Cash and bank balances	4,717	3,987
	<u>130,005</u>	<u>133,683</u>
TOTAL ASSETS	<u>151,384</u>	<u>156,933</u>
EQUITY		
Share capital	63,810	63,810
Treasury Shares	(5,102)	(5,013)
Reserves	65,700	69,910
Total Equity	<u>124,408</u>	<u>128,707</u>
Non-current Liabilities		
Deferred tax	901	901
Hire Purchase Creditor	-	79
	<u>901</u>	<u>980</u>
Current Liabilities		
Trade payables	17,656	19,636
Other payables and accruals	1,281	2,760
Hire Purchase Creditor	97	73
Short term borrowings	7,041	4,777
Provision for taxation	-	-
	<u>26,075</u>	<u>27,246</u>
Total Liabilities	<u>26,976</u>	<u>28,226</u>
TOTAL EQUITY AND LIABILITIES	<u>151,384</u>	<u>156,933</u>
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	1.06	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 THIRD QUARTER ENDED 31 MARCH 2017 (The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2017

	Year Ended 31-03-17 RM '000	Year Ended 31-03-16 RM '000
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	(2,941)	334
Adjustments for :		
Depreciation of :		
Property, plant and equipment	2,543	2,446
Investment properties	13	13
Property, plant and equipment written off	241	133
Provision of Inventories written off / Inventories written off	2,146	2,248
Amortisation of prepaid lease payments	25	25
Interest income	(634)	(810)
Finance costs	163	107
Operating profit before changes in working capital	<u>1,556</u>	<u>4,496</u>
Changes in working capital :		
(Increase) / Decrease in inventories	(19,138)	6,793
(Increase) / Decrease in receivables	10,575	1,462
(Increase) / Decrease in other receivables and prepaid expenses	(611)	(462)
Increase / (Decrease) in payables	(1,980)	(12,090)
Increase / (Decrease) in other payable and accrued expenses	(1,479)	(778)
Cash generated from operations	<u>(11,077)</u>	<u>(579)</u>
Tax paid	(829)	(645)
Net cash from operating activities	<u>(11,906)</u>	<u>(1,224)</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(950)	(2,922)
Interest income	634	810
Net cash used in investing activities	<u>(316)</u>	<u>(2,112)</u>
CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Decrease in short-term borrowings - unsecured	2,264	3,075
Net drawdown of hire purchase obligations	(55)	(55)
Dividend paid	(879)	(890)
Purchase of treasury shares	(89)	(388)
Finance costs paid	(163)	(107)
Net cash from/(used in) financing activities	<u>1,078</u>	<u>1,635</u>
Net increase in cash and cash equivalents	(11,144)	(1,701)
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>23,903</u></u>	<u><u>29,695</u></u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	19,186	24,533
Cash and bank balances	<u>4,717</u>	<u>5,162</u>
	<u><u>23,903</u></u>	<u><u>29,695</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
THIRD QUARTER ENDED 31 MARCH 2017
(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017**

	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 2017</u>					
As at 1 July 2016	63,810	(5,013)	1,264	68,646	128,707
Total comprehensive loss for the year	-	-	-	(3,331)	(3,331)
Dividend paid	-	-	-	(879)	(879)
Shares buy-back held as treasury shares	-	(89)	-	-	(89)
As at 31 March 2017	<u>63,810</u>	<u>(5,102)</u>	<u>1,264</u>	<u>64,436</u>	<u>124,408</u>
<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 buy-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>

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 THIRD QUARTER ENDED 31 MARCH 2017

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 year ended 31 December 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 THIRD QUARTER ENDED 31 MARCH 2017

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 RM28.04 million for the current quarter under review, a decrease of RM1.89 million or 6.31% as compared to RM29.93 million as recorded in the previous year corresponding quarter. The decrease in revenue was due to weaker sales in current quarter compared to Chinese New Year Festive season sales in the previous year corresponding quarter.

Loss before tax for the current quarter was RM2.83 million, a decrease loss of RM1.43 million or 102.14% as compared to a loss of RM1.40 million recorded in the previous year corresponding quarter due to sales prices being lowered in order to boost sales, resulting in thin margins.

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	31.03.2017	31.12.2016	
	(RM'000)	(RM'000)	(RM'000)
Revenue	28,037	32,257	(4,220)
Profit/(Loss) Before Tax	(2,830)	1,508	n/a

Revenue for current quarter was RM28.04 million, which is RM4.22 million or 13.08% lower than that of the immediate preceding quarter of RM32.26 million due to a sizeable portion of 2017 Chinese New Year Festive Sales being captured in immediate preceding quarter.

For the current quarter ended 31 March 2017, the Group posted a Loss before tax of RM2.83 million, compared to the immediate preceding quarter Profit before tax of RM1.51 million. The decrease in profit before tax was due to large scale sales promotional campaigns being carried out and thin margins coupled with an increase in seasonal festive operating expenses captured in the current quarter under review.

B3. Prospects

Despite overall weak retail sales and earnings, the Company is looking to maintain its sales revenue with sales promotions coupled with discounts and bargains. With the Hari Raya festive season coming up in the next quarter, the Company will look to boost sales and control festive season expenses to achieve a better performance in the fourth quarter.

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	171	390
Total	171	390

The Group's effective tax rate for the current quarter and current financial year were higher than the statutory rate of 24% mainly due to certain expenses 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. 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	83,500	10,416,700
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	-	7,041	7,041
Hire purchase payables	97	-	97
	97	7,041	7,138

There were no debt securities issued as at 31 March 2017.

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
	31/03/2017	31/03/2016
Net profit attributable to shareholders (RM'000)	(3,001)	(1,070)
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares ('000)	117,301	118,433
Basic earnings (loss) per share (sen)	(2.56)	(0.90)

B12. Realised And Unrealised Retained Earnings

	Group as at 31/03/2017 (RM'000)
Total retained earnings (loss)	
- Realised	107,039
- Unrealised	(908)
Less: consolidation adjustments	(41,695)
Total Group retained earnings as per consolidated accounts	64,436

B13. Profit before taxation

	Current Year Quarter Ended 31.03.2017 RM'000	9 Months Cumulative to Date 31.03.2017 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Amortisation of prepaid lease payments	9	25
Depreciation of property, plant and equipment	837	2,543
Depreciation of investment properties	4	13
Property, plants and equipment written off	4	241
Provision of inventories written off	701	2,146
Interest income	(161)	(633)
Finance costs	74	163