

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2017
(The figures have not been audited)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

| | Current Year Quarter Ended 30-09-17 RM '000 | Comparative Corresponding Quarter Ended 30-09-16 RM '000 | 3 Months Cumulative To Date 30-09-17 RM '000 | Comparative 3 Months Cumulative To Date 30-09-16 RM '000 |
|--|--|---|---|---|
| Revenue | 20,707 | 25,593 | 20,707 | 25,593 |
| Operating Expenses | (9,793) | (10,993) | (9,793) | (10,993) |
| Other Operating Expenses | (1,008) | (925) | (1,008) | (925) |
| Other Operating Income | 41 | 2 | 41 | 2 |
| Income from Other Investment | 145 | 244 | 145 | 244 |
| Finance Costs | (23) | (25) | (23) | (25) |
| Profit / (Loss) Before Tax | (2,408) | (1,619) | (2,408) | (1,619) |
| Income Tax Credit / (Expenses) | (336) | (12) | (336) | (12) |
| Profit / (Loss) For The Period | (2,744) | (1,631) | (2,744) | (1,631) |
| Attributable to : | | | | |
| Equity Shareholders of the Company | (2,744) | (1,631) | (2,744) | (1,631) |
| Earnings Per Share (EPS) | | | | |
| attributable to equity shareholders the Company | | | | |
| - Basic (sen) | (2.35) | (1.39) | (2.35) | (1.39) |
| - 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 2017

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | UNAUDITED As At 30-09-17 RM '000 | AUDITED As At 30-06-17 RM '000 |
|--|---|---|
| ASSETS | | |
| Property, plant and equipment | 17,518 | 18,145 |
| Prepaid lease payments | 2,329 | 2,337 |
| Investment properties | 425 | 429 |
| | <u>20,272</u> | <u>20,911</u> |
| Current assets | | |
| Inventories | 80,877 | 69,053 |
| Trade receivables | 20,375 | 36,717 |
| Other receivables, deposits and prepayments | 1,586 | 1,024 |
| Tax recoverable | 407 | 452 |
| Short term deposits with financial institutions | 17,263 | 17,945 |
| Cash and bank balances | 8,795 | 4,524 |
| | <u>129,303</u> | <u>129,715</u> |
| TOTAL ASSETS | <u><u>149,575</u></u> | <u><u>150,626</u></u> |
| EQUITY | | |
| Share capital | 63,810 | 63,810 |
| Treasury Shares | (5,586) | (5,208) |
| Reserves | 68,066 | 70,810 |
| Total Equity | <u>126,290</u> | <u>129,412</u> |
| Non-current Liabilities | | |
| Deferred tax | 732 | 732 |
| Hire Purchase Creditor | - | 6 |
| | <u>732</u> | <u>738</u> |
| Current Liabilities | | |
| Trade payables | 14,509 | 13,661 |
| Other payables and accruals | 1,826 | 3,690 |
| Hire Purchase Creditor | 61 | 73 |
| Short term borrowings | 6,157 | 3,052 |
| Provision for taxation | | |
| | <u>22,553</u> | <u>20,476</u> |
| Total Liabilities | 23,285 | 21,214 |
| TOTAL EQUITY AND LIABILITIES | <u><u>149,575</u></u> | <u><u>150,626</u></u> |
| Net Assets per share attributable to ordinary equity shareholders of the Company (RM) | 1.09 | 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 2017

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2017

| | quarter ended 30-09-17 RM '000 | quarter ended 30-09-16 RM '000 |
|--|--------------------------------------|--------------------------------------|
| CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES | | |
| Profit / (Loss) before tax | (2,408) | (1,619) |
| Adjustments for : | | |
| Depreciation of : | | |
| Property, plant and equipment | 808 | 859 |
| Investment properties | 4 | 4 |
| Impairment loss on investment properties | - | - |
| Property, plant and equipment written off | 157 | 18 |
| Provision of Inventories written off / Inventories written off | 517 | 639 |
| Provision for slow moving inventories / (Provision for slow moving inventories no longer required) | (118) | - |
| Inventories written down / (Reversal of Inventories written down) | (138) | - |
| Amortisation of prepaid lease payments | 8 | 8 |
| Allowance for doubtful debts | - | - |
| Interest income | (145) | (244) |
| Finance costs | 23 | 25 |
| Operating profit before changes in working capital | <u>(1,292)</u> | <u>1,309</u> |
| Changes in working capital : | | |
| (Increase) / Decrease in inventories | (12,085) | (9,808) |
| (Increase) / Decrease in receivables | 16,342 | 10,096 |
| (Increase) / Decrease in other receivables and prepaid expenses | (562) | (453) |
| Increase / (Decrease) in payables | 848 | (884) |
| Increase/ (Decrease) in other payable and accrued expenses | <u>(1,864)</u> | <u>(1,094)</u> |
| Cash generated from operations | <u>1,387</u> | <u>(2,453)</u> |
| Tax refunded | - | - |
| Tax paid | (292) | (194) |
| Net cash from operating activities | <u>1,095</u> | <u>(2,647)</u> |
| CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (337) | (291) |
| Interest income | 145 | 244 |
| Proceeds from disposal of property, plant and equipment | - | - |
| Net cash used in investing activities | <u>(192)</u> | <u>(47)</u> |
| CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES | | |
| Decrease in short-term borrowings - unsecured | 3,105 | 3,091 |
| Net drawdown of hire purchase obligations | (18) | (18) |
| Dividend paid | - | - |
| Purchase of treasury shares | (378) | (50) |
| Finance costs paid | (23) | (25) |
| Net cash from/(used in) financing activities | <u>2,686</u> | <u>2,998</u> |
| Net increase in cash and cash equivalents | 3,589 | 304 |
| Cash and cash equivalents at the beginning of the financial year | <u>22,469</u> | <u>35,047</u> |
| Cash and cash equivalents at the end of the financial year | <u>26,058</u> | <u>35,351</u> |
| Cash and cash equivalents comprise :- | | |
| Short-term deposits with financial institutions | 17,263 | 28,404 |
| Cash and bank balances | <u>8,795</u> | <u>6,947</u> |
| | <u>26,058</u> | <u>35,351</u> |

The Condensed Cash Flow Statement should be read in conjunction with the audited annual financial report for the year ended 30 June 2017

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2017****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

| | 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 2017</u> | | | | | |
| As at 1 July 2017 | 63,810 | (5,208) | 1,264 | 69,546 | 129,412 |
| Total comprehensive loss for the year | - | - | - | (2,744) | (2,744) |
| Dividend paid | - | - | - | - | - |
| Shares buy-back held as treasury shares | - | (378) | - | - | (378) |
| As at 30 September 2017 | <u>63,810</u> | <u>(5,586)</u> | <u>1,264</u> | <u>66,802</u> | <u>126,290</u> |
| <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> |

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 2017

CHEETAH HOLDINGS BERHAD (430404-H)

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2017. 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 2017.

New and Revised Standards and Amendments in issue but not yet effective

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

| | |
|--|--|
| MFRS 9 | Financial Instruments (IFRS 9 as issued by IASB in July 2014) ² |
| MFRS 15 | Revenue from Contracts with Customers (and the related Clarifications) ² |
| MFRS 16 | Leases ³ |
| Amendments to MFRS 2 | Clarification and Measurement of Share-based Payment Transactions ² |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to MFRS 107 | Disclosure Initiative ¹ |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses ¹ |
| Amendments to MFRS 140 | Transfers of Investment Property ² |
| IC Interpretation 22 | Foreign Currency Transactions and Advance Consideration ² |
| Annual Improvements to MFRSs 2014 - 2016 Cycle ^{1 or 2} | |

- ¹ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted provided MFRS 15 is also applied.
- ⁴ Effective date deferred to a date to be determined and announced, with earlier application still permitted.

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 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 2017 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 2017.

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 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 RM20.71 million for the current quarter under review, a decrease of RM4.88 million or 19.07% as compared to RM25.59 million recorded in the previous year corresponding quarter. The decrease in revenue was due to there was no Festive sales being captured in the current quarter under review as compared to full Hari Raya Festive Sales being captured in previous year corresponding quarter.

Consequently, with the lower revenue, Loss Before Tax for the current quarter was wider at RM2.41 million i.e. RM0.79 million or 48.77% compared to Loss Before Tax of RM1.62 million recorded in the previous year corresponding 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 | 30.09.2017 | 30.06.2017 | |
| | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 20,707 | 39,810 | (19,103) |
| Profit/(Loss) Before Tax | (2,408) | 5,716 | N/A |

Revenue for current quarter was RM20.71 million, which is RM19.10 million or 47.98% lower than that of the immediate preceding quarter of RM39.81 million as the Hari Raya Festive Sales were fully captured in the immediate preceding quarter.

For the current quarter ended 30 September 2017, the Group posted a Loss before tax of RM2.41 million, as opposed to the immediate preceding quarter's Profit before tax of RM5.72 million. The loss before tax in the current quarter was due to high operating expenses and lower revenue.

B3. Prospects

The slow retail sales segment is expected to continue its trend due to weak consumer spending and intense competition.

Notwithstanding that the Company is continuing with sourcing efforts to lower its cost of sales whilst reviewing the performance of its consignment counters and taking appropriate actions in order to turn in a positive performance for this 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 | 336 | 336 |
| | | |
| Total | 336 | 336 |

The Group's effective tax rate for the current quarter and current financial year are 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. 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 | 739,900 | 11,387,600 |
| Number of shares cancelled | Nil | Nil |
| Number of shares held as treasury shares | Nil | Nil |
| Number of treasury shares resold | Nil | Nil |

B8. Group Borrowings and Debt Securities

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

| | Secured | Unsecured | Total |
|------------------------|----------------|------------------|---------------|
| | RM'000 | RM'000 | RM'000 |
| Short-term borrowings | - | 6,157 | 6,157 |
| Hire purchase payables | 61 | - | 61 |
| | | | |
| | 61 | 6,157 | 6,218 |

There were no debt securities issued as at 30 September 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 dividend has been declared or recommended for payment by the Company 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 |
|--|---------------------------------------|---|
| | 30/09/2017 | 30/09/2016 |
| Net profit (Loss) attributable to shareholders (RM'000) | (2,744) | (1,631) |
| <i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i> | | |
| Weighted average number of ordinary shares ('000) | 116,812 | 117,384 |
| | | |
| Basic earnings (loss) per share (sen) | (2.35) | (1.39) |

B12. Realised And Unrealised Retained Earnings

| | Group as at 30/09/2017 (RM'000) |
|--|---------------------------------------|
| Total retained earnings (loss) | |
| - Realised | 109,229 |
| - Unrealised | (732) |
| | |
| Less: consolidation adjustments | (41,695) |
| | |
| Total Group retained earnings as per consolidated accounts | 66,802 |

B13. Profit before taxation

| | Current Year Quarter Ended 30.09.2017 RM'000 | 3 Months Cumulative to Date 30.09.2017 RM'000 |
|--|---|--|
| Profit before tax is arrived at after charging/(crediting):- | | |
| Amortisation of prepaid lease payments | 8 | 8 |
| Depreciation of property, plant and equipment | 808 | 808 |
| Depreciation of investment properties | 4 | 4 |
| Property, plants and equipment written off | 157 | 157 |
| Provision for inventories written off | 517 | 517 |
| Provision for slow moving inventories / (Provision for slow moving inventories no longer required) | (118) | (118) |
| Inventories written down / (Inventories write down no longer required) | (138) | (138) |
| Interest income | (145) | (145) |
| Finance costs | 23 | 23 |