

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2017**

(The figures have not been audited)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017**

	Current Year Quarter Ended 31/12/2017 RM '000	Comparative Corresponding Quarter Ended 31/12/2016 RM '000	6 Months Cumulative To Date 31/12/2017 RM '000	Comparative 6 Months Cumulative To Date 31/12/2016 RM '000
Revenue	31,248	32,257	51,955	57,850
Operating Expenses	(9,357)	(10,394)	(19,150)	(21,387)
Other Operating Expenses	(1,053)	(1,097)	(2,061)	(2,022)
Other Operating Income	45	29	86	31
Income from Other Investment	190	228	335	472
Finance Costs	(69)	(64)	(92)	(89)
Profit / (Loss) Before Tax	491	1,508	(1,917)	(111)
Income Tax Credit / (Expenses)	(177)	(207)	(513)	(219)
Profit / (Loss) For The Period	314	1,301	(2,430)	(330)
Attributable to :				
Equity Shareholders of the Company	314	1,301	(2,430)	(330)
Earnings Per Share (EPS) attributable to equity shareholders the Company	0.26	1.11	(2.09)	(0.28)
- Basic (sen)				
- 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 SECOND QUARTER ENDED 31 DECEMBER 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As At 31/12/2017 RM '000	AUDITED As At 30/6/2017 RM '000
ASSETS		
Property, plant and equipment	17,098	18,145
Prepaid lease payments	2,320	2,337
Investment properties	421	429
	19,839	20,911
Current assets		
Inventories	72,106	69,053
Trade receivables	27,633	36,717
Other receivables, deposits and prepayments	1,322	1,024
Tax recoverable	567	452
Short term deposits with financial institutions	16,221	17,945
Cash and bank balances	4,192	4,524
	122,041	129,715
TOTAL ASSETS	141,880	150,626
EQUITY		
Share capital	63,810	63,810
Treasury Shares	(6,261)	(5,208)
Reserves	67,691	70,810
Total Equity	125,240	129,412
Non-current Liabilities		
Deferred tax	732	732
Hire Purchase Creditor	-	6
	732	738
Current Liabilities		
Trade payables	7,684	13,661
Other payables and accruals	2,934	3,690
Hire Purchase Creditor	42	73
Short term borrowings	5,248	3,052
Provision for taxation	-	-
	15,908	20,476
Total Liabilities	16,640	21,214
TOTAL EQUITY AND LIABILITIES	141,880	150,626
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
SECOND QUARTER ENDED 31 DECEMBER 2017**
(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

	quarter ended 31/12/2017 RM '000	quarter ended 31/12/2016 RM '000
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	(1,917)	(111)
Adjustments for :		
Depreciation of :		
Property, plant and equipment	1,583	1,706
Investment properties	8	9
Impairment loss on investment properties	-	-
Property, plant and equipment written off	404	237
Provision of Inventories written off / Inventories written off	1,298	1,445
Provision for slow moving inventories / (Provision for slow moving inventories no longer required)	(95)	-
Inventories written down / (Reversal of Inventories written down)	208	-
Amortisation of prepaid lease payments	17	16
Allowance for doubtful debts	-	-
Bad debt written off	-	-
Interest income	(335)	(472)
Finance costs	92	89
Operating profit before changes in working capital	<u>1,263</u>	<u>2,919</u>
Changes in working capital :		
(Increase) / Decrease in inventories	(4,464)	(14,123)
(Increase) / Decrease in receivables	9,084	4,021
(Increase) / Decrease in other receivables and prepaid expenses	(298)	(143)
Increase / (Decrease) in payables	(5,977)	(2,255)
Increase/ (Decrease) in other payable and accrued expenses	(756)	(340)
Cash generated from operations	<u>(1,148)</u>	<u>(9,921)</u>
Tax refunded	-	-
Tax paid	(628)	(402)
Net cash from operating activities	<u>(1,776)</u>	<u>(10,323)</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(940)	(854)
Interest income	335	472
Proceeds from disposal of property, plant and equipment	-	-
Net cash used in investing activities	<u>(605)</u>	<u>(382)</u>
CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Decrease in short-term borrowings - unsecured	2,196	2,649
Net drawdown of hire purchase obligations	(37)	(36)
Dividend paid	(689)	(879)
Purchase of treasury shares	(1,053)	(89)
Finance costs paid	(92)	(89)
Net cash from/(used in) financing activities	<u>325</u>	<u>1,556</u>
Net increase in cash and cash equivalents	(2,056)	(9,149)
Cash and cash equivalents at the beginning of the financial year	22,469	35,047
Cash and cash equivalents at the end of the financial year	<u>20,413</u>	<u>25,898</u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	16,221	18,961
Cash and bank balances	<u>4,192</u>	<u>6,937</u>
	<u>20,413</u>	<u>25,898</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
SECOND QUARTER ENDED 31 DECEMBER 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	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 2017</u>					
As at 1 July 2017	63,810	(5,208)	1,264	69,546	129,412
Total comprehensive loss for the year	-	-	-	(2,430)	(2,430)
Dividend paid	-	-	-	(689)	(689)
Shares buy-back held as treasury shares	-	(1,053)	-	-	(1,053)
As at 31 December 2017	<u>63,810</u>	<u>(6,261)</u>	<u>1,264</u>	<u>66,427</u>	<u>125,240</u>
<u>6 months ended 31 December 2016</u>					
As at 1 July 2016	63,810	(5,013)	1,264	68,646	128,707
Total comprehensive income for the year	-	-	-	(330)	(330)
Dividend paid	-	-	-	(879)	(879)
Shares buy-back held as treasury shares	-	(89)	-	-	(89)
As at 31 December 2016	<u>63,810</u>	<u>(5,102)</u>	<u>1,264</u>	<u>67,437</u>	<u>127,409</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 SECOND QUARTER ENDED 31 DECEMBER 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

The first and final single tier dividend of 0.60 sen per ordinary share in respect of financial year ended 30 June 2017 amounting to RM0.69 million was paid on 20 December 2017.

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 SECOND QUARTER ENDED 31 DECEMBER 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 a revenue of RM31.25 million for the current quarter under review, a decrease of RM1.01 million or 3.13% as compared to RM32.26 million recorded in the previous year corresponding quarter. The decrease in revenue was due to slower sales compared to corresponding quarter.

Consequently, with the lower revenue and despite lower margin due to some promotional discount, Profit Before Tax for the current quarter decreased from RM1.51 million to RM0.50 million, notwithstanding a cost saving in operating expenses of RM1.08 million as compared to 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	31.12.2017	30.09.2017	
	(RM'000)	(RM'000)	(RM'000)
Revenue	31,248	20,707	10,541
Profit/(Loss) Before Tax	491	(2,408)	n/a

Revenue for current quarter was RM31.25 million, which is RM10.54 million or 50.89% higher than that of the immediate preceding quarter of RM20.71 million as Christmas Festive Sales was captured in the current quarter under review.

For the current quarter ended 31 December 2017, the Group posted a Profit before tax of RM0.50 million. The increase in Profit before tax was achieved on the back of increase in revenue and lower operating expenses arising from cost saving efforts in current quarter under review.

B3. Prospects

The retail sales segment is expected continue to be challenging in the current financial year.

Notwithstanding, 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	177	513
Total	177	513

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	1,373,700	12,761,300
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	-	5,248	5,248
Hire purchase payables	42	-	42
	42	5,248	5,290

There were no debt securities issued as at 31 December 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
	31/12/2017	31/12/2016
Net profit (Loss) attributable to shareholders (RM'000)	314	1,301
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares ('000)	115,849	117,348
Basic earnings (loss) per share (sen)	0.26	1.11

B12. Realised And Unrealised Retained Earnings

	Group as at 31/12/2017 (RM'000)
Total retained earnings (loss)	
- Realised	110,118
- Unrealised	(732)
Less: consolidation adjustments	(41,695)
Total Group retained earnings as per consolidated accounts	67,691

B13. Profit before taxation

	Current Year Quarter Ended 31.12.2017 RM'000	6 Months Cumulative to Date 31.12.2017 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Amortisation of prepaid lease payments	9	17
Depreciation of property, plant and equipment	775	1,583
Depreciation of investment properties	4	8
Property, plants and equipment written off	247	404
Provision for inventories written off	781	1,298
Provision for slow moving inventories / (Provision for slow moving inventories no longer required)	24	(94)
Inventories written down / (Inventories write down no longer required)	70	208
Interest income	(190)	(335)
Finance costs	69	92