

CHEETAH HOLDINGS BERHAD (430404 - H)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 31 MARCH 2018**

(The figures have not been audited)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2018**

	Current Year Quarter Ended 31/3/2018 RM '000	Comparative Corresponding Quarter Ended 31/3/2017 RM '000	9 Months Cumulative To Date 31/3/2018 RM '000	Comparative 9 Months Cumulative To Date 31/3/2017 RM '000
Revenue	27,859	28,037	79,814	85,887
Operating Expenses	(11,047)	(12,324)	(30,197)	(33,711)
Other Operating Expenses	(855)	(901)	(2,916)	(2,923)
Other Operating Income	53	47	139	78
Income from Other Investment	160	162	495	634
Finance Costs	(58)	(74)	(150)	(163)
Profit / (Loss) Before Tax	(3,317)	(2,830)	(5,234)	(2,941)
Income Tax Credit / (Expenses)	200	(171)	(313)	(390)
Profit / (Loss) For The Period	(3,117)	(3,001)	(5,547)	(3,331)
Attributable to :				
Equity Shareholders of the Company	(3,117)	(3,001)	(5,547)	(3,331)
Earnings Per Share (EPS)				
attributable to equity shareholders the Company				
- Basic (sen)	(2.70)	(2.56)	(4.79)	(2.84)
- 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 THIRD QUARTER ENDED 31 MARCH 2018

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As At 31/3/2018 RM '000	AUDITED As At 30/6/2017 RM '000
ASSETS		
Property, plant and equipment	16,563	18,145
Prepaid lease payments	2,312	2,337
Investment properties	417	429
	<u>19,292</u>	<u>20,911</u>
Current assets		
Inventories	65,811	69,053
Trade receivables	24,524	36,717
Other receivables, deposits and prepayments	915	1,024
Tax recoverable	965	452
Short term deposits with financial institutions	27,626	17,945
Cash and bank balances	3,355	4,524
	<u>123,196</u>	<u>129,715</u>
TOTAL ASSETS	<u>142,488</u>	<u>150,626</u>
EQUITY		
Share capital	63,810	63,810
Treasury Shares	(6,261)	(5,208)
Reserves	64,574	70,810
Total Equity	<u>122,123</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	10,057	13,661
Other payables and accruals	1,786	3,690
Bank Overdraft	4,952	-
Hire Purchase Creditor	-	73
Short term borrowings	2,838	3,052
Provision for taxation	-	-
	<u>19,633</u>	<u>20,476</u>
Total Liabilities	<u>20,365</u>	<u>21,214</u>
TOTAL EQUITY AND LIABILITIES	<u>142,488</u>	<u>150,626</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
THIRD QUARTER ENDED 31 MARCH 2018**
(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2018**

	quarter ended 31/3/2018 RM '000	quarter ended 31/3/2017 RM '000
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	(5,234)	(2,941)
Adjustments for :		
Amortisation of goodwill		
Depreciation of :		
Property, plant and equipment	2,355	2,543
Investment properties	12	13
Impairment loss on investment properties	-	-
Property, plant and equipment written off	458	241
Provision of Inventories written off / Inventories written off	1,994	2,146
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	25	25
Allowance for doubtful debts	-	-
Bad debt written off	-	-
Interest income	(495)	(634)
Finance costs	150	163
Gain on disposal of property, plant and equipment	(39)	-
Unrealised gain in foreign exchange	-	-
Operating profit before changes in working capital	<u>(661)</u>	<u>1,556</u>
Changes in working capital :		
(Increase) / Decrease in inventories	1,135	(19,138)
(Increase) / Decrease in receivables	12,193	10,575
(Increase) / Decrease in other receivables and prepaid expenses	109	(611)
Increase / (Decrease) in payables	(3,604)	(1,980)
Increase/ (Decrease) in other payable and accrued expenses	<u>(1,904)</u>	<u>(1,479)</u>
Cash generated from operations	7,268	(11,077)
Tax refunded	-	-
Tax paid	(827)	(829)
Net cash from operating activities	<u>6,441</u>	<u>(11,906)</u>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,230)	(950)
Interest income	495	634
Proceeds from disposal of property, plant and equipment	39	-
Net cash used in investing activities	<u>(696)</u>	<u>(316)</u>
CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Decrease in short -term borrowings - unsecured	(214)	2,264
Net drawdown of hire purchase obligations	(79)	(55)
Dividend paid	(689)	(879)
Purchase of treasury shares	(1,053)	(89)
Finance costs paid	(150)	(163)
Net cash from/(used in) financing activities	<u>(2,185)</u>	<u>1,078</u>
Net increase in cash and cash equivalents	3,560	(11,144)
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>26,029</u>	<u>23,903</u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	27,626	19,186
Cash and bank balances	<u>(1,597)</u>	<u>4,717</u>
	<u>26,029</u>	<u>23,903</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
THIRD QUARTER ENDED 31 MARCH 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018**

	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 2018</u>					
As at 1 July 2017	63,810	(5,208)	1,264	69,546	129,412
Total comprehensive loss for the year	-	-	-	(5,547)	(5,547)
Dividend paid	-	-	-	(689)	(689)
Shares buy-back held as treasury shares	-	(1,053)	-	-	(1,053)
As at 31 March 2018	<u>63,810</u>	<u>(6,261)</u>	<u>1,264</u>	<u>63,310</u>	<u>122,123</u>
<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 income 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>

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 THIRD QUARTER ENDED 31 MARCH 2018

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 THIRD QUARTER ENDED 31 MARCH 2018**

**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 RM27.86 million for the current quarter under review, a decrease of RM0.18 million or 0.64% as compared to RM28.04 million recorded in the previous year corresponding quarter. The decrease in revenue was due to softer market as compared to corresponding quarter.

Consequently, the lower revenue and lower margins was due to increase in sales promotional campaigns being carried out on thin margin, Loss Before Tax for the current quarter widened from RM2.83million to RM3.32million, 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	31.03.2018	31.12.2017	
	(RM'000)	(RM'000)	(RM'000)
Revenue	27,859	31,248	(3,389)
Profit/(Loss) Before Tax	(3,317)	491	(3,808)

Revenue for current quarter was RM27.86 million, which is RM3.39 million or 10.85% lower than that of the immediate preceding quarter of RM31.25 million as Chinese New Year Festive Sales was below target in the current quarter under review.

For the current quarter ended 31 March 2018, the Group posted a Loss before tax of RM3.32 million. The increase in Loss before tax was due to increase in sales promotional campaigns being carried out on thin margins in the current quarter under review

B3. Prospects

The retail sales segment is expected to continue to be very challenging in the current financial year as the retail apparel sector is very crowded and competitive.

The Company is continuing with its' effort to achieve better cost control whilst reviewing the performance of its consignment counters and taking appropriate actions in order to turn to 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 (Over)Provision :	RM'000	RM'000
Current	(200)	313
Total	(200)	313

The Group's effective tax rate for the current quarter and current financial year is higher than the statutory rate of 24% 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	-	2,838	2,838
Hire purchase payables	-	-	-
Bank Overdraft		4,952	4,952
	-	7,790	7,790

There were no debt securities issued as at 31 March 2018.

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
	31/03/2018	31/03/2017
Net profit (Loss) attributable to shareholders (RM'000)	(3,117)	(3,001)
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares ('000)	115,525	117,301
Basic earnings (loss) per share (sen)	(2.70)	(2.56)

B12. Realised And Unrealised Retained Earnings

	Group as at 31/03/2018 (RM'000)
Total retained earnings (loss)	
- Realised	107,001
- Unrealised	(732)
Less: consolidation adjustments	(41,695)
Total Group retained earnings as per consolidated accounts	64,574

B13. Profit before taxation

	Current Year Quarter Ended 31.03.2018 RM'000	9 Months Cumulative to Date 31.03.2018 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Amortisation of prepaid lease payments	8	25
Depreciation of property, plant and equipment	772	2,355
Depreciation of investment properties	4	12
Property, plants and equipment written off	54	458
Provision for inventories written off	696	1,994
Provision for slow moving inventories / (Provision for slow moving inventories no longer required)	165	71
Inventories written down / (Inventories write down no longer required)	56	264
Interest income	(160)	(495)
Finance costs	58	150