

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

(The figures have not been audited )

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018**

|  | Current<br>Year<br>Quarter<br>Ended<br>31/12/2018<br>RM '000 | Comparative<br>Corresponding<br>Quarter<br>Ended<br>31/12/2017<br>RM '000 | 6 Months<br>Cumulative<br>To Date<br>31/12/2018<br>RM '000 | Comparative<br>6 Months<br>Cumulative<br>To Date<br>31/12/2017<br>RM '000 |
|--|--|---|--|---|
| Revenue  | 30,551   | 31,248  | 50,005   | 51,955  |
| Operating Expenses   | (9,123)  | (9,357)   | (18,390)   | (19,150)  |
| Other Operating Expenses                                   | (746)  | (1,053)   | (1,544)  | (2,061)   |
| Other Operating Income                                     | 12   | 45  | 38   | 86  |
| Income from Other Investment                               | 279  | 190   | 572  | 335   |
| Finance Costs  | (20)   | (69)  | (25)   | (92)  |
| <b>Profit / (Loss) Before Tax</b>                          | <b>880</b>   | <b>491</b>  | <b>(2,499)</b>   | <b>(1,917)</b>  |
| Income Tax Credit / (Expenses)                             | (336)  | (177)   | (336)  | (513)   |
| <b>Profit / (Loss) For The Period</b>                      | <b>544</b>   | <b>314</b>  | <b>(2,835)</b>   | <b>(2,430)</b>  |
| <b>Attributable to :</b>                                   |  |   |  |   |
| <b>Equity Shareholders of the<br/>Company</b>              | <b>544</b>   | <b>314</b>  | <b>(2,835)</b>   | <b>(2,430)</b>  |
| <b>Earnings Per Share (EPS)</b>                            |  |   |  |   |
| <b>attributable to equity shareholders<br/>the Company</b> |  |   |  |   |
| - Basic ( sen )  | 0.47   | 0.26  | (2.68)   | (2.09)  |
| - 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 2018

# CHEETAH HOLDINGS BERHAD (430404 - H)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018

(The figures have not been audited )

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | UNAUDITED<br>As At<br>31/12/2018<br>RM '000 | AUDITED<br>As At<br>30/6/2018<br>RM '000 |
|--|---|--|
| <b>ASSETS</b>  |   |  |
| Property, plant and equipment  | 14,978                                      | 15,990                                   |
| Prepaid lease payments   | 2,288                                       | 2,304                                    |
| Investment properties  | 383   | 388                                      |
|  | <u>17,649</u>                               | <u>18,682</u>                            |
| <b>Current assets</b>  |   |  |
| Inventories  | 56,781                                      | 54,950                                   |
| Trade receivables  | 27,050                                      | 32,947                                   |
| Other receivables, deposits and prepayments  | 1,278                                       | 1,409                                    |
| Tax recoverable  | 510   | 129                                      |
| Short term deposits with financial institutions  | 28,672                                      | 27,528                                   |
| Cash and bank balances   | 6,152                                       | 3,181                                    |
|  | <u>120,443</u>                              | <u>120,144</u>                           |
| <b>TOTAL ASSETS</b>  | <u><u>138,092</u></u>                       | <u><u>138,826</u></u>                    |
| <b>EQUITY</b>  |   |  |
| Share capital  | 63,810                                      | 63,810                                   |
| Treasury Shares  | (6,261)                                     | (6,261)                                  |
| Reserves   | 67,320                                      | 70,615                                   |
| <b>Total Equity</b>  | <u>124,869</u>                              | <u>128,164</u>                           |
| <b>Non-current Liabilities</b>   |   |  |
| Deferred tax   | 639   | 639                                      |
|  | <u>639</u>                                  | <u>639</u>                               |
| <b>Current Liabilities</b>   |   |  |
| Trade payables   | 8,638                                       | 6,282                                    |
| Other payables and accruals  | 2,506                                       | 2,867                                    |
| Short term loan & borrowings   | 1,104                                       | 874                                      |
| Provision for taxation   | 336   | -  |
|  | <u>12,584</u>                               | <u>10,023</u>                            |
| <b>Total Liabilities</b>   | 13,223                                      | 10,662                                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u><u>138,092</u></u>                       | <u><u>138,826</u></u>                    |
| Net Assets per share attributable to ordinary<br>equity shareholders of the Company (RM) | 1.09  | 1.12                                     |

The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the audited annual financial report for the year ended 30 June 2018

**CHEETAH HOLDINGS BERHAD (430404 - H)****INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 31 DECEMBER 2018**  
(The figures have not been audited )**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 DECEMBER 2018**

|  | Quarter ended<br>31/12/2018<br>RM '000 | Quarter ended<br>31/12/2017<br>RM '000 |
|--|--|--|
| <b>CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>   |  |  |
| Profit / (Loss) before tax   | (2,499)                                | (1,917)                                |
| Adjustments for :  |  |  |
| Amortisation of goodwill   |  |  |
| Depreciation of:   |  |  |
| Property, plant and equipment  | 1,359                                  | 1,583                                  |
| Investment properties  | 8                                      | 8                                      |
| Property, plant and equipment written off  | 65                                     | 404                                    |
| Provision of inventories written off / Inventories written off                                     | 625                                    | 1,298                                  |
| Provision for slow moving inventories / (Provision for slow moving inventories no longer required) | 80                                     | (95)                                   |
| Inventories written down / (Reversal of inventories written down)                                  | 237                                    | 208                                    |
| Amortisation of prepaid lease payments   | 16                                     | 17                                     |
| Interest income  | (572)                                  | (335)                                  |
| Finance costs  | 25                                     | 92                                     |
| Gain on disposal of property, plant and equipment  | -                                      | -                                      |
| Gain on disposal of investment properties  | -                                      | -                                      |
| Unrealised gain in foreign exchange  | -                                      | -                                      |
| Operating profit before changes in working capital   | <u>(656)</u>                           | <u>1,263</u>                           |
| Changes in working capital :   |  |  |
| (Increase) / Decrease in inventories   | (2,773)                                | (4,464)                                |
| (Increase) / Decrease in receivables   | 5,897                                  | 9,084                                  |
| (Increase) / Decrease in other receivables and prepaid expenses                                    | 131                                    | (298)                                  |
| Increase / (Decrease) in payables  | 2,356                                  | (5,977)                                |
| Increase/ (Decrease) in other payable and accrued expenses   | (361)                                  | (756)                                  |
| Cash generated from operations   | <u>4,594</u>                           | <u>(1,148)</u>                         |
| Tax refunded   | -                                      | -                                      |
| Tax paid   | (380)                                  | (628)                                  |
| Net cash from operating activities   | <u>4,214</u>                           | <u>(1,776)</u>                         |
| <b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>   |  |  |
| Purchase of property, plant and equipment  | (416)                                  | (940)                                  |
| Interest income  | 572                                    | 335                                    |
| Proceeds from disposal of of:  |  |  |
| Investment properties  | -                                      | -                                      |
| Property, plant and equipment  | -                                      | -                                      |
| Net cash used in investing activities  | <u>156</u>                             | <u>(605)</u>                           |
| <b>CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>  |  |  |
| Decrease in short-term borrowings - unsecured  | 230                                    | 2,196                                  |
| Net drawdown of hire purchase obligations  | -                                      | (37)                                   |
| Dividend paid  | (460)                                  | (689)                                  |
| Purchase of treasury shares  | -                                      | (1,053)                                |
| Finance costs paid   | (25)                                   | (92)                                   |
| Net cash from/(used in) financing activities   | <u>(255)</u>                           | <u>325</u>                             |
| Net increase in cash and cash equivalents  | 4,115                                  | (2,056)                                |
| Cash and cash equivalents at the beginning of the financial year                                   | 30,709                                 | 22,469                                 |
| Cash and cash equivalents at the end of the financial year   | <u>34,824</u>                          | <u>20,413</u>                          |
| Cash and cash equivalents comprise :-  |  |  |
| Short-term deposits with financial institutions  | 28,672                                 | 16,221                                 |
| Cash and bank balances   | 6,152                                  | 4,192                                  |
|  | <u>34,824</u>                          | <u>20,413</u>                          |

The Condensed Cash Flow Statement should be read in conjunction with the audited annual financial report for the year ended 30 June 2018

**CHEETAH HOLDINGS BERHAD (430404 - H)**

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
SECOND QUARTER ENDED 31 DECEMBER 2018**

(The figures have not been audited )

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

|   | Share<br>Capital<br>RM '000 | Treasury<br>Shares<br>RM '000 | Non - Distributable<br>Capital Reserve<br>RM '000 | Distributable<br>Retained Earnings<br>RM '000 | Total<br>RM '000      |
|---|-----------------------------|-------------------------------|---|---|-----------------------|
| <b><u>6 months ended 31 December 2018</u></b> |                             |                               |   |   |                       |
| As at 1 July 2018                             | 63,810                      | (6,261)                       | 1,264   | 69,892  | 128,705               |
| Effects on MFRS 9 adoption                    | -                           | -                             | -   | (541)   | (541)                 |
| Balance as at 1 July 2018 (Restated)          | <u>63,810</u>               | <u>(6,261)</u>                | <u>1,264</u>                                      | <u>69,351</u>                                 | <u>128,164</u>        |
| Total comprehensive loss for the year         | -                           | -                             | -   | (2,835)                                       | (2,835)               |
| Dividend paid                                 | -                           | -                             | -   | (460)   | (460)                 |
| Shares buy-back held as treasury shares       | -                           | -                             | -   | -   | -                     |
| As at 31 December 2018                        | <u><u>63,810</u></u>        | <u><u>(6,261)</u></u>         | <u><u>1,264</u></u>                               | <u><u>66,056</u></u>                          | <u><u>124,869</u></u> |
| <b><u>6 months ended 31 December 2017</u></b> |                             |                               |   |   |                       |
| As at 1 July 2017                             | 63,810                      | (5,208)                       | 1,264   | 69,546  | 129,412               |
| Total comprehensive income 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><u>63,810</u></u>        | <u><u>(6,261)</u></u>         | <u><u>1,264</u></u>                               | <u><u>66,427</u></u>                          | <u><u>125,240</u></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 2018

## CHEETAH HOLDINGS BERHAD (430404-H)

### NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 2018. 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 2018.

##### **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 and IC Interpretations, and which were issued but not yet effective and not early adopted by the Group are as listed below:

|                                    |  |
|------------------------------------|--|
| MFRS 9                             | Financial Instruments <sup>1</sup>   |
| MFRS 15                            | Revenue from Contracts with Customers (and the Related Clarifications) <sup>1</sup>                                      |
| MFRS 16                            | Leases <sup>2</sup>  |
| MFRS 17                            | Insurance Contracts <sup>3</sup>   |
| Amendments to MFRS 2               | Classification and Measurement of Share-based Payment Transactions <sup>1</sup>  |
| Amendments to MFRS 4               | Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts <sup>1</sup>                                       |
| Amendments to MFRS 9               | Prepayment Features with Negative Compensation <sup>2</sup>  |
| Amendments to MFRS 119             | Plan Amendment, Curtailment or Settlement <sup>2</sup>   |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>                       |
| Amendments to MFRS 128             | Long-term interests in Associates and Joint Ventures <sup>2</sup>  |
| Amendments to MFRS 140             | Transfers of Investment Property <sup>1</sup>  |
| Amendments to MFRS                 | Annual Improvement to MFRSs 2014 - 2016 Cycle <sup>1</sup><br>Annual Improvement to MFRSs 2015 - 2017 Cycle <sup>2</sup> |
| IC Interpretations 22              | Foreign Currency Transactions and Advance Consideration <sup>1</sup>   |
| IC Interpretations 23              | Uncertainty over Income Tax Treatments <sup>2</sup>  |

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that abovementioned Standards, Amendments and IC Interpretations will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards, Amendments and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application except for MFRS 9, MFRS 15 and MFRS 16. The directors of the Group anticipate that the application of the MFRS 9, MFRS 15 and MFRS 16 on the future may have an impact on the amounts reported and disclosures made in the Group's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of the abovementioned standards until the Group performs a detailed review.

**A2. Preceding Audited Financial Statements**

The audited financial statements of the Group for the preceding year ended 30 June 2018 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 0.4 sen per ordinary share in respect of financial year ended 30 June 2018 amounting RM0.46 million was paid on 12 December 2018.

**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 2018.

**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 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 RM30.55 million for the current quarter under review, a decrease of RM0.70 million or 2.24% as compared to RM31.25 million recorded in the previous year corresponding quarter. The decrease in revenue was due to continuous efforts on restructuring and consolidating of non-performing counters.

The Profit Before Tax for the current quarter however increased by 79.23% or RM0.39 million to RM0.88 million as compared to Profit Before Tax of RM0.49 million as recorded in the previous year corresponding quarter. The increase in Profit Before Tax was due to better control of operational costs.

**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.

|                             | <b>Current Quarter</b> | <b>Preceding Quarter</b> | <b>Variance</b> |
|-----------------------------|------------------------|--------------------------|-----------------|
| Period ended                | 31.12.2018             | 30.09.2018               |                 |
|                             | RM'000                 | RM'000                   | RM'000          |
|                             |                        |                          |                 |
| Revenue                     | 30,551                 | 19,454                   | 11,097          |
| Profit/(Loss)<br>Before Tax | 880                    | (3,379)                  | 4,259           |

Revenue for current quarter was RM30.55 million which is RM11,10 million or 57.07% higher than that of the immediate preceding quarter of RM19.45 million. This increase was due to the Christmas holiday season as well as the year-end school holidays during the current quarter under review.

For the current quarter ended 31 December 2018, the Group posted a Profit before tax of RM0.88 million compared to the immediate preceding quarter Loss before tax of RM3.38 million. The Profit Before Tax in the current quarter under review was mainly due to higher sales, better margins and lower operating expenses.



**B3. Prospects**

The Group will continue to be vigilant to the changes in the external business environment and take the necessary action of reviewing our cost structure and outlets performance in order to maintain long term sustainable growth.

**B4. Variance from Profit Forecast and Profit Guarantee**

Not applicable.

**B5. Taxation**

The breakdown of taxation is as follows:-

|                       | <b>Current Quarter</b> | <b>Year-to-Date</b> |
|-----------------------|------------------------|---------------------|
| Tax (Over)Provision : | RM'000                 | RM'000              |
| Current               | 336                    | 336                 |
| Tax Refund            | -                      | -                   |
| <b>Total</b>          | <b>336</b>             | <b>336</b>          |

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:-

|  | <b>Current Quarter</b> | <b>Accumulated Total</b> |
|--|------------------------|--------------------------|
| Description of shares purchased          | Ordinary Share         | Ordinary Share           |
| Number of shares purchased               | Nil                    | 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                      |

The Company will not continue its share buy-back program at the moment as the treasury shares now stand at 9.9% of the company's issued shares, the maximum allowed being 10.0%.

**B8. Group Borrowings and Debt Securities**

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

|                       | <b>Secured</b> | <b>Unsecured</b> | <b>Total</b>  |
|-----------------------|----------------|------------------|---------------|
|                       | <b>RM'000</b>  | <b>RM'000</b>    | <b>RM'000</b> |
| Short-term borrowings | -              | 1,104            | 1,104         |
| <b>Total</b>          | -              | <b>1,104</b>     | <b>1,104</b>  |

There were no debt securities issued as at 31 December 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.

|  | <b>Current Year<br/>Quarter Ended</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter Ended</b> |
|--|---------------------------------------|---|
|  | 31.12.2018                            | 31.12.2017  |
| Net profit (Loss) attributable to shareholders (RM'000)                          | 880                                   | 314   |
| <i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i> |                                       |   |
| Weighted average number of ordinary shares ('000)                                | 114,859                               | 115,849   |
| Basic earnings per share (sen)   | <b>0.77</b>                           | <b>0.26</b>   |

**B12. Profit before taxation**

|  | <b>Current Year<br/>Quarter Ended<br/>31.12.2018<br/>RM'000</b> | <b>6 Months<br/>Cumulative to Date<br/>31.12.2018<br/>RM'000</b> |
|--|---|--|
| Profit before tax is arrived at after charging/(crediting):-                                       |   |  |
| Amortisation of prepaid lease payments   | 8   | 16   |
| Depreciation of property, plant and equipment  | 682   | 1,359  |
| Depreciation of investment properties  | (9)   | 8  |
| Property, plants and equipment written off   | 6   | 65   |
| Provision for inventories written off / (Provision for inventories written off no longer required) | 382   | 625  |
| Provision for slow moving inventories / (Provision for slow moving inventories no longer required) | 27  | 80   |
| Inventories written down / (Inventories write down no longer required)                             | (135)   | 237  |
| Interest income  | (279)   | (572)  |
| Finance costs  | 20  | 25   |