

## CHEETAH HOLDINGS BERHAD (430404 - H)

### INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2008

(The figures have not been audited )

#### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 MARCH 2008

	Current Year Quarter Ended 31/03/2008 RM '000	Comparative Corresponding Quarter Ended 31/03/2007 RM '000	9 Months Cumulative To Date 31/03/2008 RM '000	Comparative 9 Months Cumulative To Date 31/03/2007 RM '000
Revenue	26,348	21,525	80,550	71,184
Operating Expenses	7262	6,312	19,584	16,441
Other Operating Expenses	502	360	1,308	1,177
Other Operating Income	17	15	74	190
Income from other investment	78	73	365	245
Finance Costs	80	44	170	102
<b>Profit Before Tax</b>	<b>2,796</b>	<b>2,120</b>	<b>11,685</b>	<b>11,795</b>
Income Tax Expenses	789	697	3,119	3,230
<b>Profit for the period</b>	<b>2,007</b>	<b>1,423</b>	<b>8,566</b>	<b>8,565</b>
<b>Attributable to :</b>				
<b>Equity Shareholders of the Company</b>	<b>2,007</b>	<b>1,423</b>	<b>8,566</b>	<b>8,565</b>
<b>Earnings Per Share (EPS) attributable to equity shareholders the Company</b>				
- Basic ( sen )	1.57	1.77	6.72	10.65
- Diluted (sen)	1.56	1.74	6.64	10.47

The Condensed Consolidated Income Statements should be read in conjunction with the audited annual financial report for the year ended 30 June 2007

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### INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2008

(The figures have not been audited )

#### CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	UNAUDITED As At 31/03/2008 RM '000	AUDITED As At 30/06/2007 RM '000
<b>ASSETS</b>		
Property, plant & equipment	12,511	11,727
Investment properties	894	895
<b>Current Assets</b>		
Inventories	49,318	41,338
Trade receivables	22,878	15,771
Other receivables, deposits and prepayments	4,321	2,257
Short term deposits with financial institutions	10,737	19,136
Cash and bank balances	3,501	2,280
	<u>90,755</u>	<u>80,782</u>
<b>TOTAL ASSETS</b>	<u><u>104,160</u></u>	<u><u>93,404</u></u>
<b>EQUITY</b>		
Share Capital	63,794	42,410
Reserves	16,934	31,953
<b>Total Equity</b>	<u>80,728</u>	<u>74,363</u>
<b>Non-current Liabilities</b>		
Deferred Tax	391	391
<b>Current Liabilities</b>		
Trade Payables	15,831	13,866
Other payables and accruals	1,766	875
Short term borrowings	4,444	3,330
Provision for taxation	1,000	579
	<u>23,041</u>	<u>18,650</u>
<b>Total Liabilities</b>	23,432	19,041
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>104,160</u></u>	<u><u>93,404</u></u>
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	0.63	0.88

The Condensed Condoliated Balance Sheet should be read in conjunction with the audited annual financial report for the year ended 30 June 2007

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2008 (The figures have not been audited )

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2008

	Period Ended 31/03/2008 RM '000	Period Ended 31/03/2007 RM '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	11,685	11,795
Adjustment for :		
Amortisation of goodwill	34	-
Depreciation of property, plant & equipment	1,097	923
Interest Income	(365)	(245)
Interest Expenses	170	102
(Gain)/Loss on disposal of property, plant & equipment	(64)	(173)
Operating profit before changes in working capital	<u>12,557</u>	<u>12,402</u>
Changes in working capital :		
Net change in current assets	(17,150)	(7,851)
Net change in current liabilities	2,614	(916)
Interest paid	(170)	(102)
Taxation Paid	(2,540)	(3,067)
Net cash generated from/(used in) operating activities	<u>(4,689)</u>	<u>466</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(2,035)	(1,569)
Interest Income	365	245
Proceeds from disposal of property, plant & equipment	249	782
Short- Term Investment	-	(5,178)
Net cash generated from/(used in) investing activities	<u>(1,421)</u>	<u>(5,720)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown of short-term borrowings	1,113	4,641
Proceeds from issue of shares	179	3,615
Proceeds from disposal of property , plant & equipment	-	5,079
Repurchase of own shares	-	(3,712)
Dividend Paid	(2,360)	(1,351)
Net cash generated from /(used in )financing activities	<u>(1,068)</u>	<u>8,272</u>
Net increase in cash and cash equivalents	(7,178)	3,018
Cash and cash equivalents at the beginning of the financial period	21,416	3,018
Cash and cash equivalents at the end of the financial period	<u>14,238</u>	<u>6,036</u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	7,837	3,000
Cash and bank balances	6,401	3,036
	<u>14,238</u>	<u>6,036</u>

The Condensed Cash Flow Statement should be read in conjunction with the audited annual financial report for the year ended 30 June 2007

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE  
THIRD QUARTER ENDED 31 MARCH 2008  
(The figures have not been audited )**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2008**

	Share Capital RM '000	Treasury Shares RM '000	← Non - Distributable →			Distributable Retained Profits RM '000	Total RM '000
			Share Premium RM '000	Reserve on Consolidation RM '000	Capital Reserve RM '000		
<b><u>9 months ended 31 March 2008</u></b>							
As at 1 July 2007	42,410	-	3,998	-	1,264	26,691	74,363
Profits for the period	-	-	-	-	-	8,566	8,566
Dividend paid						(2,360)	(2,360)
Issue of shares pursuant to Bonus Issue	21,205	-	-	-	-	-	21,205
Issue of shares pursuant to the exercise of ESOS	179	-	-	-	-	-	179
Share issue expenses	-	-	(20)	-	-	-	(20)
Bonus issue capitalisation	-	-	(3,978)	-	-	(17,227)	(21,205)
As at 31 March 2008	<u>63,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,264</u>	<u>15,670</u>	<u>80,728</u>
<b><u>9 months ended 31 March 2007</u></b>							
As at 1 July 2006 As previously stated	40,000	-	2,849	1,666	-	16,514	61,029
Effect of adoption of FRS 3	-	-	-	(1,666)	-	1,666	-
Restated balance	<u>40,000</u>	<u>-</u>	<u>2,849</u>	<u>-</u>	<u>-</u>	<u>18,180</u>	<u>61,029</u>
Profits for the period	-	-	-	-	-	8,565	8,565
Dividend paid	-	-	-	-	-	(1,351)	(1,351)
Issue of shares pursuant to the exercise of ESOS	2,410	-	1,205	-	-	-	3,615
Gain of resale of treasury Shares	-	-	-	-	1,264	-	1,264
As at 31 March 2007	<u>42,410</u>	<u>-</u>	<u>4,054</u>	<u>-</u>	<u>1,264</u>	<u>25,394</u>	<u>73,122</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 2007

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

### **NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2008**

#### **PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (FRS) 134, INTERIM FINANCIAL REPORTING**

##### **1. Basis of Preparation and Consolidation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134 (previously known as MASB 26), Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirement.

The Group's policy is to adopt the acquisition method of accounting as the basis of consolidation. Under the acquisition method of accounting, the results of subsidiary companies acquired are to be included in the consolidated income statements from the effective date of acquisition.

The excess of the fair value of the net tangible assets of subsidiary companies at the effective date of acquisition over the purchase consideration is included in the consolidated balance sheet as reserve on consolidation.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007.

##### **2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS"), where applicable to the Group, effective for the financial period beginning 1 July 2007:-

FRS 124	Related Party Disclosures
Amendment to FRS 119	Employee Benefits --Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of the above FRSs do not result in significant changes in accounting policies of the Group.

**3. Preceding Audited Financial Statements**

The audited financial statements of the Group for the preceding year ended 30 June 2007 were not qualified.

**4. Seasonal or Cyclical Factors**

The Group's business operation is 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. The financial period under review is an active period for the local retail industries due to festive celebrations.

**5. 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.

**6. 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.

**7. Changes in Debt and Equity Securities**

During the current quarter ended 31 March 2008, the Company increased its issued and paid-up share capital from RM 63,792,375 to RM 63,794,625 by way of issuance of 4,500 new ordinary shares of RM 0.50 each for cash at an exercise price of RM 0.50 per share, by virtue of the exercise of share options pursuant to the Company's Employees' Share Options Scheme.

Save for those disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

**8. Dividend**

The first and final dividend of 1.85 sen per share tax exempted in respect of financial year ended 30 June 2007 amounting to RM 2.36 million was paid on 8 January 2008.

**9. 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.

**10. 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 period ended 31 March 2008.

**11. 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.

**12. 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.

**13. Capital Commitments**

The amount of capital commitments as at 31 March 2008 is as follows :-

	<u>RM '000</u>
Authorised and contracted for Properties under construction	10,500

**14. Contingent Liabilities and Contingent Assets**

	Quarter Ended 31/03/2008 RM '000	Audited Financial Year Ended 30/06/2007 RM '000
Corporate guarantee given to banks to secure banking facilities granted to subsidiaries	31,600	31,600

No contingent assets had arisen since the last annual financial statement.



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

### **NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2008**

#### **PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

##### **1. Review of Performance of the Group**

The Group recorded a revenue of RM 26.35 million for the current quarter under review, an increase of RM4.83 million as compared to RM 21.52 million posted in the corresponding quarter of last year. The cumulative revenue for the period ended 31 March 2008 was RM 80.55 million, RM 9.37 million higher than the cumulative revenue of RM 71.18 million in the previous corresponding nine month period. The increase in revenue is partly due to the addition of the two international labels of Ladybird and GQ and as well as the increase in our own labels.

The Group recorded a Profit Before Tax of RM 2.80 million and a Profit After Tax of RM 2.01 million in the current quarter under review. The cumulative Profit Before Tax of 9 month was RM 11.69 million, a decrease of RM 0.11 million as compared to RM 11.80 million as posted in the previous corresponding period. The decrease is mainly due to higher initial and promotional expenses to develop the 2 international labels as well as costs incurred to expand more points of sales to capture a greater market shares and investment in human capital whilst ensuring adequate and efficient operational support to the Group. Save for the above, the overall performance of the Group is satisfactory.

##### **2. Material Changes in the Profit Before Tax As Compared to the Immediate Preceding Quarter**

For the current quarter ended 31 March 2008, the Group posted a Profit Before Tax of RM 2.80 million, RM 3.05 million lower than the immediate preceding quarter of RM 5.85 million. This was due to primarily to higher sales recorded in the immediate preceding quarter. Although the current quarter enjoyed the Chinese New Year festivity sales, the higher revenue achieved in the immediate preceding quarter came from stronger year end holiday and shopping season viz. Hari Raya , Christmas and year end celebrations.

3. (a) **Current Year Prospects**

The Group expects market conditions to remain challenging and competitive for the fourth quarter of 2008 due to increasing costs and soft global economy. However, despite the anticipated challenges, the Group will continue to maintain its performance. With the initial and promotional expenses incurred to develop the 2 international labels which are expected to generate higher sales and profit contribution to the Group.

Barring any unforeseen circumstances, the Board of Directors is cautiously confident that the Group will continue its positive performance in the current financial year.

(b) **Progress on Internal Revenue Expectation**

The Company has by the third quarter ended 31 March 2008, achieved a revenue of RM 80.55 million and the efforts made so far are showing progress towards achieving its internal revenue projection of RM 98.7 million for the current year ending June 2008.

4. **Prospect on Internal Revenue Expectation**

Given the encouraging revenue achieved for the first , second and third quarter to date , the Directors are of the opinion that the internal revenue projection of RM 98.7 millions for the year ending 30 June 2008 is likely to be achieved.

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

Not applicable.

6. **Taxation**

The breakdown of taxation is as follows :-

	<u>Current Quarter</u> RM '000	<u>Year-to-date</u> RM '000
Current year taxation	789	3,119
Underprovision in prior year	-	-
Deferred Tax	-	-
	----- 789	----- 3,119

**7. Sales of Unquoted Investments and/or properties**

There were no sales of unquoted investments and/or properties during the current quarter under review.

**8. Quoted Securities**

There were no purchases and disposals of quoted securities for the current quarter.

**9. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this quarterly report.

**10. Group Borrowings and Debt Securities**

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

	<u>RM '000</u>
Short Term Unsecured Borrowings	4,444
- Bankers' Acceptance	

There was no debt securities issued in the financial period ended 31 March 2008.

**11. Financial Instruments With off Balance Sheet Risks**

There are no financial instruments with off balance sheet risks as at the date of this quarterly report.

**12. Material Litigation**

There is no litigation of a material nature against the Group as at the date of this quarterly report.

### 13. Proposed Dividend

No interim dividend has been declared for the current quarter under review.

### 14. Earnings Per Share

#### (i) Basic Earnings Per Share

The basic earnings per share of the Group are 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 Quarter Ended 31/03/2008</b>	<b>Preceding Year Corresponding Quarter 31/03/2007</b>
Net profit attributable to shareholders (RM '000) <i>Weighted average number of ordinary shares of RM 0.50 each in issue ('000)</i>	2,007	1,423
Weighted average number of ordinary shares in issue	127,465	80,386
Shares repurchased	-	-
	----- 127,465	----- 80,386
Basic earnings per share (sen)	1.57	1.77

## (ii) Diluted Earnings Per Share

The diluted earnings per share of the Group has been 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 Quarter Ended 31/03/2008</b>	<b>Preceding Year Corresponding Quarter 31/03/2007</b>
Net profit attributable to shareholders (RM '000)	2,007	1,423
<i>Weighted average number of ordinary shares Of RM 0.50 each in issue ('000)</i>		
Weighted average number of ordinary shares in issue (basic)	127,465	80,386
Shares repurchased	-	
Effect of unexercised ESOS	1,532	1,376
	<u>128,997</u>	<u>81,762</u>
Diluted earnings per share (sen)	1.56	1.74