

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2009

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 2008.

2. Changes in Accounting Policies

During the current financial period, the Group and the Company adopted all of the revised Financial Reporting Standards (“FRS”), Amendments and Issue Committee Interpretations (“IC Interpretation”) issued by MASB that are relevant to their operations and effective for periods beginning on or after 1 July 2008 as follows:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretations 8	Scope of FRS 2

The adoption of these revised FRSs, Amendments and Interpretations did not result in substantial changes to the Group's and the Company's accounting policies and does not have any material financial effect on the financial statements of the Group and of the Company for the current and prior financial years.

3. Preceding Audited Financial Statements

The audited financial statements of the Group for the preceding year ended 30 June 2008 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.

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

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review.

8. Dividend

The first and final dividend of 2.80 sen per share less 25% income tax in respect of financial year ended 30 June 2008 amounting to RM2.68 million was paid on 8 January 2009.

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 year ended 30 June 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 2009 is as follows :-

	<u>RM '000</u>
Authorised and contracted for Property under construction	946

14. **Contingent Liabilities**

	Quarter Ended 31/03/2009	Audited Financial Year Ended 30/06/2008
	RM '000	RM '000
Corporate guarantee given to banks to secure banking facilities granted to subsidiaries	31,600 -----	31,600 -----
Amount utilised	13,877 -----	11,813 -----

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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 26.96 million for the current quarter under review, an increase of RM0.61 million as compared to RM 26.35 million posted in the corresponding quarter of last year. The slight increase of 2% in revenue was contributed by Chinese New Year Festivity sales.

The Group's Profit Before Tax increased to RM2.81 million from RM2.80 million in the previous corresponding quarter.

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

For the current quarter ended 31 March 2009, the Group posted a Profit Before Tax of RM 2.81 million, which is RM 0.36 million or 11 % lower than that of the immediate preceding quarter of RM 3.17 million. Although 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 Christmas celebrations festivity sales.

Revenue for current quarter was RM 26.96 million, which is RM 0.96 million or 3% lower than that of the immediate preceding quarter of RM 27.92 million.

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

Taking into consideration the economic slowdown in the global economy, the local retail market will be more challenging and competitive for the current financial year. However, the Group is hopeful that current fiscal stimulus packages introduced by the Government will stimulate local demand for the Group's products.

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 for the 9 months ended 31 March 2009 posted a revenue of RM95.04 million. The Company is confident that its internal revenue projection of RM108.90 million for the current year ending 30 June 2009 will be achieved.

4. **Prospect on Internal Revenue Expectation**

Given the revenue achieved for the 9 months ended 31 March 2009, the Directors are of the opinion that the internal revenue projection of RM 108.9 million for the year ending 30 June 2009 will 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	797	3,614
Deferred Tax	-	-
	-----	-----
	797	3,614
	=====	=====

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:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowing	1,411	8,404	9,815
Long-term borrowing	4,061	-	4,061
	5,472	8,404	13,876

There was no debt securities issued in the quarter ended 31 March 2009.

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 involving 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.

	Current Year Quarter Ended 31/03/2009	Preceding Year Corresponding Quarter 31/03/2008
Net profit attributable to shareholders (RM '000) <i>Weighted average number of ordinary shares of RM 0.50 each in issue ('000)</i>	2,014	2,007
Weighted average number of ordinary shares in issue	127,589	127,465
Shares repurchased	-	-
	----- 127,589	----- 127,465
Basic earnings per share (sen)	1.58	1.57

(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.

	Current Year Quarter Ended 31/03/2009	Preceding Year Corresponding Quarter 31/03/2008
Net profit attributable to shareholders (RM '000)	2,014	2,007
<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)	127,589	127,465
Shares repurchased	-	-
Effect of unexercised ESOS	1,447	1,532
	-----	-----
	129,036	128,997
	-----	-----
Diluted earnings per share (sen)	1.56	1.56