

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 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 2009.

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 2009 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

There was no dividend paid during the current quarter under review.

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 2009.

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.

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2009

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

1. Review of Performance of the Group

The Group recorded a revenue of RM 29.35 million for the current quarter under review, an increase of RM 1.43 million as compared to RM27.92 million posted in the corresponding quarter of last year. The increase of 5.12% was mainly due to additional consignment counters.

The Group's Profit Before Tax increased from RM3.17 million to RM5.37 million as compared to the previous corresponding quarter, of which RM2.14 million was mainly due to the gain on disposal of property.

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

For the current quarter ended 31 December 2009, the Group posted a Profit Before Tax of RM 5.37 million, which is RM 1.79 million or 25% lower than that of the immediate preceding quarter of RM 7.16 million. This was due to stronger Hari Raya festive season Sales 2009 captured in the immediate preceding quarter.

Revenue for current quarter was RM29.35 million, which is RM10.80 million or 26.90% lower than that of the immediate preceding quarter of RM40.15 million

After adjusting for the gain on disposal of RM2.14 million, the Operating Profit Before Tax of RM3.23 million is RM3.93 million or 54.89% lower than that of the immediate preceding quarter of RM7.16 million due to seasonal effects of the Hari Raya Sales in the immediate preceding quarter.

3. Prospects

We expect the local retail market to remain challenging and competitive for the current financial year.

However, barring any unforeseen circumstances, the Board of Directors is cautiously confident that the Group will continue to register satisfactory performance in the current financial year.

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

Not applicable.

5. **Taxation**

The breakdown of taxation is as follows :-

	<u>Current Quarter</u> RM '000	<u>Year-to-date</u> RM '000
Current quarter taxation	808	2,596
	-----	-----
	808	2,596
	=====	=====

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

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

7. **Quoted Securities**

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

8. **Status of Corporate Proposals**

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

9. **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	1,526	9,204	10730
Long-term borrowing	2,807	-	2,807
	4,333	9,204	13,537

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

10. 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.

11. Material Litigation

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

12. Proposed Dividend

The shareholders of the Company approved the payment of first and final dividend of 3 sen per ordinary share less income tax in respect of the financial year ended 30 June 2009 at the Company's Annual General Meeting held on 30 November 2009. The dividend was paid on 8 January 2010.

13. Earnings Per Share

(i) Basic 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 31/12/2009	Preceding Year Corresponding Quarter 31/12/2008
Net profit attributable to shareholders (RM '000)	4,557	2,382
<i>Weighted average number of ordinary shares of RM 0.50 each in issue ('000)</i>	====	====
Weighted average number of ordinary shares In issue	127,591	127,589
Shares repurchased		
	----- 127,591 =====	----- 127,589 =====
Basic earnings per share (sen)	3.57	1.87

(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 31/12/2009	Preceding Year Corresponding Quarter 31/12/2008
Net profit attributable to shareholders (RM '000)	4,557 =====	2,382 =====
<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)	127,591	127,589
Shares repurchased	-	-
Effect of unexercised ESOS	1,360	1,447
	----- 128,952 =====	----- 129,036 =====
Diluted earnings per share (sen)	3.53	1.85