

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2010

	Current Year Quarter Ended 31/03/10 RM '000	Comparative Corresponding Quarter Ended 31/03/09 RM '000	9 Months Cumulative To Date 31/03/10 RM '000	Comparative 9 Months Cumulative To Date 31/03/09 RM '000
Revenue	33,600	26,960	103,091	95,037
Operating Expenses	(9,148)	(8,759)	(23,984)	(22,580)
Other Operating Expenses	(728)	(575)	(2,076)	(1,546)
Other Operating Income	103	221	2,439	445
Income from other investment	15	22	106	202
Finance Costs	(123)	(141)	(398)	(506)
Profit Before Tax	3,658	2,811	16,181	14,131
Income Tax Expenses	(945)	(797)	(3,541)	(3,614)
Profit for the period	2,713	2,014	12,640	10,517
Attributable to :				
Equity Shareholders of the Company	2,713	2,014	12,640	10,517
Earnings Per Share (EPS) attributable to equity shareholders the Company				
- Basic (sen)	2.13	1.58	9.91	8.24
- Diluted (sen)	2.13	1.56	9.80	8.15

The Condensed Consolidated Income Statements should be read in conjunction with the audited annual financial report for the year ended 30 June 2009

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	UNAUDITED As At 31/03/10 RM '000	AUDITED As At 30/06/2009 RM '000
ASSETS		
Property, plant & equipment	22,099	21,407
Prepaid lease payments	2,577	2,602
Investment properties	699	701
	<u>25,375</u>	<u>24,710</u>
Current Assets		
Inventories	63,100	74,170
Trade receivables	27,834	21,137
Other receivables, deposits and prepayments	1,448	1,309
Short term deposits with financial institutions	8,007	2,355
Cash and bank balances	6,340	10,436
	<u>106,729</u>	<u>109,407</u>
Non -current asset classified as held for sale	-	2,883
TOTAL ASSETS	<u><u>132,104</u></u>	<u><u>137,000</u></u>
EQUITY		
Share Capital	63,810	63,795
Reserves	37,533	27,764
Total Equity	<u>101,343</u>	<u>91,559</u>
Non-current Liabilities		
Deferred Tax	432	432
Term Loan	2,770	3,503
	<u>3,202</u>	<u>3,935</u>
Current Liabilities		
Trade Payables	16,724	24,918
Other payables and accruals	2,283	2,966
Short term borrowings	7,827	12,881
Provision for taxation	725	741
	<u>27,559</u>	<u>41,506</u>
Total Liabilities	30,761	45,441
TOTAL EQUITY AND LIABILITIES	<u><u>132,104</u></u>	<u><u>137,000</u></u>
Net Assets per share attributable to ordinary equity shareholders of the Company (RM)	0.79	0.72

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited annual financial report for the year ended 30 June 2009

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2010 (The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2010

	Period Ended 31/03/10 RM '000	Period Ended 31/03/09 RM '000
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	16,181	14,131
Adjustment for :		
Amortisation of goodwill	-	-
Depreciation of property, plant & equipment	1,918	1,421
Interest income	(106)	(202)
Interest expenses	398	506
(Gain)/Loss on disposal of property, plant & equipment	(2,145)	(165)
Operating profit before changes in working capital	<u>16,246</u>	<u>15,691</u>
Changes in working capital :		
Net change in current assets	4,231	(1,032)
Net change in current liabilities	(8,877)	(8,068)
Interest paid	(398)	(506)
Taxation Paid	(3,554)	(2,580)
Net cash generated from/(used in) operating activities	<u>7,648</u>	<u>3,505</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(2,583)	(6,029)
Interest Income	106	202
Proceeds from disposal of property, plant & equipment	5,028	230
Net cash generated from/(used in) investing activities	<u>2,551</u>	<u>(5,597)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net repayment of term loan	-	-
Drawdown of short-term borrowings	(5,054)	2,064
Drawdown of long-term borrowings	(733)	-
Proceeds from issue of shares	15	-
Proceeds from disposal of property , plant & equipment	-	-
Shares issue expenses paid	-	-
Dividend Paid	(2,871)	(2,679)
Net cash generated from /(used in)financing activities	<u>(8,643)</u>	<u>(615)</u>
Net increase in cash and cash equivalents	1,556	(2,707)
Cash and cash equivalents at the beginning of the financial period	<u>12,791</u>	<u>14,504</u>
Cash and cash equivalents at the end of the financial period	<u>14,347</u>	<u>11,797</u>
Cash and cash equivalents comprise :-		
Short-term deposits with financial institutions	8,007	4,829
Cash and bank balances	<u>6,340</u>	<u>6,968</u>
	<u>14,347</u>	<u>11,797</u>

The Condensed Cash Flow Statement should be read in conjunction with the audited annual financial report for the year ended 30 June 2009

CHEETAH HOLDINGS BERHAD (430404 - H)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2010

	Share Capital RM '000	← Non - Distributable →		Distributable Retained Profits RM '000	Total RM '000
		Share Premium RM '000	Reserve on Consolidation RM '000		
<u>9 months ended 31 March 2010</u>					
As at 1 July 2009	63,795	-	-	27,764	91,559
Profits for the period	-	-	-	12,640	12,640
Dividend paid	-	-	-	(2,871)	(2,871)
Issue of shares pursuant to the exercise of ESOS	15	-	-	-	15
As at 31 Mar 2010	<u>63,810</u>	<u>-</u>	<u>-</u>	<u>37,533</u>	<u>101,343</u>
<u>9 months ended 31 March 2009</u>					
As at 1 July 2008 As previously stated	63,795	-	-	17,792	81,587
Profits for the period	-	-	-	10,517	10,517
Dividend paid	-	-	-	(2,679)	(2,679)
As at 31 March 2009	<u>63,795</u>	<u>-</u>	<u>-</u>	<u>25,630</u>	<u>89,425</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 2009

CHEETAH HOLDINGS BERHAD (430404-H)

NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2010

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, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

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 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 adopted Financial Reporting Standards (“FRS”) 8, Operating Segments issued by MASB that is relevant to their operations and effective for periods beginning on or after 1 July 2009.

The adoption of this FRS did not result in the changes to the Group’s accounting policies and does not have any material financial effect on the financial statements of the Group for the current and prior financial years.

At the date of the authorisation of these interim financial statements, the following FRSs, Amendments to FRS and Issue Committee Interpretations (“IC Int”) were issued but not yet effective and have not been applied by the Group:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to a cost of an investment in subsidiary, jointly controlled entity or associate)*
FRS 1	First-time Adoption of Financial Reporting Standards (revised in 2010)**
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters)***
FRS 2	Share Based Payment – Vesting Conditions and Cancellation*

FRS 2	Share Based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)**
FRS 3	Business Combinations (revised in 2010)**
FRS 5	Non-current Asset Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)**
FRS 7	Financial Instruments : Disclosures*
FRS 7	Financial Instruments : Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition)*
FRS 7	Financial Instruments : Disclosures (Amendments relating to improving disclosures about financial instruments)***
FRS 101	Presentation of Financial Statements (revised in 2009)*
FRS 123	Borrowing Costs (revised)*
FRS 127	Consolidated and Separate Financial Statements (Amendments to relating cost of an investment in a subsidiary, jointly controlled entity or associate)*
FRS 127	Consolidated and Separate Financial Statements (revised in 2010)**
FRS 132	Financial Instruments : Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)*
FRS 132	Financial Instruments : Presentation (Amendments relating to classification of rights issue)****
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3)*
FRS 139	Financial Instruments : Recognition and Measurement*
FRS 139	Financial Instruments : Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127) *
IC Int 9	Reassessment of Embedded Derivatives*
IC Int 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)*
IC Int 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Int 9 and revised FRS 3)**
IC Int 10	Interim Financial Reporting and Impairment*
IC Int 11	FRS 2 – Group and Treasury Share Transactions*
IC Int 12	Service Concession Arrangements**
IC Int 13	Customer Loyalty Programmes*
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
IC Int 15	Agreements for the Construction of Real Estate**
IC Int 16	Hedges of a Net Investment in Foreign Operation**
IC Int 17	Distributions of Non-cash Assets to Owners**

- * Effective for annual periods beginning on or after 1 January 2010
- ** Effective for annual periods beginning on or after 1 July 2010
- *** Effective for annual periods beginning on or after 1 January 2011
- **** Effective for annual periods beginning on or after 1 March 2010

The adoption of the above FRSs and Interpretations upon their effective dates are not expected to have significant impact on the interim financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

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

The first and final dividend of 3.00 sen per ordinary share less 25% income tax in respect of financial year ended 30 June 2009 amounting to RM 2.87 million was paid on 8 January 2010.

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.

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NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2010

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 33.60 million for the current quarter under review, an increase of RM 6.64 million as compared to RM26.96 million posted in the corresponding quarter of last year. The increase of 24.63% was due to a stronger Chinese New Year Festivity Sales as compared with corresponding quarter of last year.

The Group's Profit Before Tax increased from RM2.81 million to RM3.66 million as compared to the previous corresponding quarter in tandem with the increase in sales.

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

For the current quarter ended 31 March 2010, the Group posted a Profit Before Tax of RM 3.66 million, which is RM 1.71 million or 31.84 % lower than that of the immediate preceding quarter of RM 5.37 million. This is mainly due to a gain on disposal of property of RM2.14 million recorded in the immediate preceding quarter.

Revenue for current quarter was RM33.60 million, which is RM4.25 million or 14.48% higher than that of the immediate preceding quarter of RM 29.35 million due to stronger Chinese New Year Festivity Sales recorded in current 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 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	966	3,562
Overprovision in prior periods	(21)	(21)
	-----	-----
	945	3,541
	=====	=====

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	6,301	7,827
Long-term borrowing	2,770	-	2,770
	4,296	6,301	10,597

There was no debt securities issued in the quarter ended 31 March 2010.

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

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

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 31/03/2010	Preceding Year Corresponding Quarter 31/03/2009
Net profit attributable to shareholders (RM '000)	2,713	2,014
<i>Weighted average number of ordinary shares of RM 0.50 each in issue ('000)</i>	=====	===
Weighted average number of ordinary shares In issue Shares repurchased	127,616	127,589
	----- 127,616 =====	----- 127,589 =====
Basic earnings per share (sen)	2.13	1.58

(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 31/03/2010	Preceding Year Corresponding Quarter 31/03/2009
Net profit attributable to shareholders (RM '000)	2,713 <u>=====</u>	2,014 <u>=====</u>
<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)	127,616	127,589
Shares repurchased	-	-
Effect of unexercised ESOS	-	1,447
	----- 127,616 <u>=====</u>	----- 129,036 <u>=====</u>
Diluted earnings per share (sen)	2.13	1.56

In the previous quarter the comparative basic and diluted earnings per share had taken into account on the effect of unexercised ESOS.