

EUROSPAN HOLDINGS BERHAD (351927-M)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET
AT 28 FEBRUARY 2009

	(Unaudited) Quarter Ended 28-Feb-09 RM'000	(Audited) Year Ended 31-May-08 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	26 883	28 272
Prepaid lease payments	322	325
Other investments	7 730	6 706
	<u>34 935</u>	<u>35 303</u>
Current Assets		
Inventories	13 042	11 570
Trade and other receivables	3 016	6 163
Tax refundable	290	130
Cash and cash equivalents	21 861	21 877
	<u>38 209</u>	<u>39 740</u>
TOTAL ASSETS	<u><u>73 144</u></u>	<u><u>75 043</u></u>
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	40 212	40 212
Reserves	27 455	26 945
	<u>67 667</u>	<u>67 157</u>
Minority Interests	-	-
Total equity	<u>67 667</u>	<u>67 157</u>
Non-Current Liabilities		
Deferred tax liability	1 932	2 100
	<u>1 932</u>	<u>2 100</u>
Current Liabilities		
Trade and other payables	3 134	5 786
Taxation	411	-
	<u>3 545</u>	<u>5 786</u>
Total Liabilities	<u>5 477</u>	<u>7 886</u>
TOTAL EQUITY AND LIABILITIES	<u><u>73 144</u></u>	<u><u>75 043</u></u>
Net Assets Per Share (sen)	168.28	167.01

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2008.)

(The notes set out on pages 5 to 8 form an integral part of, and, should be read in conjunction with, this interim financial report.)

EUROSPAN HOLDINGS BERHAD (351927-M)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED
28 FEBRUARY 2009**

	Individual Quarter		Cumulative Quarters	
	3 months ended 28-Feb-09 RM'000	3 months ended 29-Feb-08 RM'000	9 months ended 28-Feb-09 RM'000	9 months ended 29-Feb-08 RM'000
Revenue	<u>12 477</u>	<u>16 366</u>	<u>48 320</u>	<u>55 997</u>
Operating profit	335	1 015	3 645	5 140
Interest expense	-	-	-	-
Interest income	<u>100</u>	<u>162</u>	<u>329</u>	<u>508</u>
Profit before tax	435	1 177	3 974	5 648
Tax expense	<u>(216)</u>	<u>(70)</u>	<u>(711)</u>	<u>(459)</u>
Profit for the period	<u>219</u>	<u>1 107</u>	<u>3 263</u>	<u>5 189</u>
Attributable to :				
Shareholders of the Company	219	1 107	3 263	5 189
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>219</u>	<u>1 107</u>	<u>3 263</u>	<u>5 189</u>
Basic earnings per ordinary share (sen)	0.54	2.75	8.11	12.91
Diluted earnings per ordinary share (sen)	0.54	2.74	8.11	12.79

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2008.)

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EUROSPAN HOLDINGS BERHAD (351927-M)

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AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED
28 FEBRUARY 2009**

	<u>Non Distributable</u>		<u>Distributable</u>	Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000		
Balance as at 1 June 2007	40 000	8 090	109	15 936	64 135
Profit for the period	-	-	-	5 189	5 189
ESOS exercised	212	-	-	-	212
Transfer to share premium for ESOS exercised	-	9	(9)	-	-
Share-based payment under ESOS	-	-	46	-	46
Share option reserve expired/lapsed	-	-	(18)	18	-
Dividend	-	-	-	(2 380)	(2 380)
Balance as at 29 February 2008	<u>40 212</u>	<u>8 099</u>	<u>128</u>	<u>18 763</u>	<u>67 202</u>
Balance as at 1 June 2008	40 212	8 099	148	18 698	67 157
Profit for the period	-	-	-	3 263	3 263
ESOS exercised	-	-	-	-	-
Transfer to share premium for ESOS exercised	-	-	-	-	-
Share-based payment under ESOS	-	-	62	-	62
Share option reserve expired/lapsed	-	-	(19)	19	-
Dividend	-	-	-	(2 815)	(2 815)
Balance as at 28 February 2009	<u>40 212</u>	<u>8 099</u>	<u>191</u>	<u>19 165</u>	<u>67 667</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2008.)

(The notes set out on pages 5 to 8 form an integral part of, and, should be read in conjunction with, this interim financial report.)

EUROSPAN HOLDINGS BERHAD (351927-M)
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED
28 FEBRUARY 2009**

	Cumulative Quarters	
	9 months ended 28-Feb-09 RM'000	9 months ended 29-Feb-08 RM'000
Cash Flows from Operating Activities		
Profit before tax	3 974	5 648
Adjustments for :		
Non-cash items	2 420	2 574
Non-operating items	(354)	(584)
Operating profit before changes in working capital	<u>6 040</u>	<u>7 638</u>
Changes in working capital :		
Net change in current assets	1 675	(574)
Net change in current liabilities	(2 652)	(3 234)
Cash flows generated from operations	<u>5 063</u>	<u>3 830</u>
Tax (paid) / refunded	(629)	(1 088)
Net cash flows generated from operating activities	<u>4 434</u>	<u>2 742</u>
Cash Flows from Investing Activities		
Equity investments	-	-
Other investments	(1 635)	(405)
Net cash flow used in investing activities	<u>(1 635)</u>	<u>(405)</u>
Cash Flows from Financing Activities		
Dividend paid	(2 815)	(2 380)
ESOS exercised	-	212
Net cash flow used in financing activities	<u>(2 815)</u>	<u>(2 168)</u>
Net (decrease)/increase in cash and cash equivalents	(16)	169
Cash and cash equivalents at beginning of the period	<u>21 877</u>	<u>25 964</u>
Cash and cash equivalents at end of the period	<u>21 861</u>	<u>26 133</u>
Cash and cash equivalents at end of the period consist of :		
Deposits with licensed banks	17 987	18 768
Cash and bank balances	3 874	7 365
	<u>21 861</u>	<u>26 133</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2008.)

(The notes set out on pages 5 to 8 form an integral part of, and, should be read in conjunction with, this interim financial report.)

EUROSPAN HOLDINGS BERHAD (351927-M)

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2009

PART A : REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 May 2008 except for those that have been restated as a result of the change in the accounting policy. Details of these changes in accounting policies are set out in Note A2.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2008.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2008 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 June 2008 :

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

A3 Qualification of Financial Statements

The auditors' report of the preceding annual financial statements was not qualified.

A4 Seasonal or Cyclical Factors

The principal business of the Group was not significantly affected by any seasonal or cyclical factors in the current quarter.

A5 Exceptional and Extraordinary Items

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6 Changes in Estimates

There were no major changes in estimates from those of the prior financial year which have a material effect in the current financial period ended 28 February 2009.

A7 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share-buy-backs, share-cancellations, shares held as treasury shares and resale of treasury shares during the current financial period ended 28 February 2009.

A8 Dividends Paid

On 5 December 2008, the Company paid a Final Dividend of 4 sen per ordinary share less 25% tax and tax exempt dividend of 4 sen per ordinary share amounting to RM2,814,875 in respect of the previous financial year which was approved at the last Annual General Meeting.

A9 Segmental Information

The Group is principally engaged in the manufacturing and trading of furniture and wood-based products. Segmental information has therefore not been prepared as the Group's revenue and operating profit are mainly confined to one business segment.

A10 Valuation of Property, Plant and Equipment

Not applicable. There is no revaluation of property, plant and equipment.

A11 Material Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the balance sheet date up to the date of this announcement.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 28 February 2009.

A13 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this announcement.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2009

PART B : REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue of RM48.32 million for the current financial period ended 28 February 2009 reflecting a decrease of RM7.68 million or 13.7% when compared to the revenue of RM55.99 million in the preceding financial period. The Group registered a profit before tax of RM3.97 million, an decrease of RM1.67 million or 29.6% when compared to the profit before tax of RM5.65 million in the preceding financial period. The result was due to the lower revenue for the current financial period under review.

B2 Variation of Results Against Preceding Quarter

The Group's revenue for the quarter ended 28 February 2009 showed a decrease of 36.2% to RM12.48 million when compared to the revenue of RM19.56 million in the previous quarter ended 30 November 2008. The Group's profit before tax showed a decrease of 80.0% to RM0.4 million when compared to the profit before tax of RM2.16 million in the previous quarter. The result was mainly due to the lower revenue and different product mix ratio for the current financial period under review.

B3 Current Year Prospects

Barring unforeseen circumstances, the Board is of the opinion that the Group's performance should be satisfactory for the remaining period to the end of the financial year ending 31 May 2009.

B4 Profit Forecast

Not applicable as the Company did not provide any profit forecast.

B5 Tax Expense

	Individual Quarter		Cumulative Quarters	
	3 months ended 28-Feb-09 RM'000	3 months ended 29-Feb-08 RM'000	9 months ended 28-Feb-09 RM'000	9 months ended 29-Feb-08 RM'000
Current tax expense				
Malaysian - Current	153	(31)	880	672
- Prior years	-	-	(1)	19
Deferred tax expense				
Malaysian - Current	63	101	(168)	(234)
- Prior years	-	-	-	2
	<u>216</u>	<u>70</u>	<u>711</u>	<u>459</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation principally due to the availability of tax incentives.

B6 Unquoted Investments and Properties

There were no sales of unquoted investments or properties during the current financial period ended 28 February 2009.

B7 Quoted Investments

Particulars of investment in quoted securities :	Current Quarter RM'000	Current Year To Date RM'000
At cost b/f	7 676	6 706
Total additions during the period	54	2 124
Total disposals during the period	-	(1 100)
At cost c/f	<u>7 730</u>	<u>7 730</u>
Market value of quoted investments	<u>7 768</u>	<u>7 768</u>

B8 Status of Corporate Proposal Announced

There were no corporate proposals as at the date of this announcement.

B9 Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 28 February 2009.

B10 Off Balance Sheet Financial Instruments

The financial instruments with off balance sheet risk as at 16 April 2009 are as follows : -

<u>Instrument</u>	<u>Contract Date</u>	<u>Terms</u>	<u>RM Equivalent</u> RM'000	<u>Foreign Currency</u> 000
Foreign Exchange Forward Contracts	Various	1-7 months	11 477	USD3,150

There are no significant market risks associated with the disclosed instruments while the exchange gains or losses on forward contract are recognised in the Income Statements upon realisation.

B11 Changes in Material Litigation

There were no material litigations pending as at the date of this announcement.

B12 Dividends

The directors do not recommend the payment of any dividend for the current financial period ended 28 February 2009.

B13 Earnings Per Share

Basic Earnings Per Share - The basic earnings per share for this quarter is computed based on the Group's net profit of RM0.22 million and the weighted average number of ordinary shares of 40,212,500.

Diluted Earnings Per Share - The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted earnings per share in accordance with FRS 133, Earnings Per Share.

BY ORDER OF THE BOARD

Lim Kim Teck (MAICSA 7010844)
Secretary
Penang
23 April 2009