

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

CONDENSED CONSOLIDATED BALANCE SHEET
AT 31 MAY 2009

	(Unaudited)	(Audited)
	Quarter	Year
	Ended	Ended
	31-May-09	31-May-08
	RM'000	RM'000
		(Restated)
ASSETS		
Non-current Assets		
Property, Plant and Equipment	26 561	28 272
Prepaid lease payments	321	325
Other investments	1 783	2 300
	28 665	30 897
Current Assets		
Inventories	11 107	11 570
Trade and other receivables	2 289	6 163
Tax refundable	343	130
Cash and cash equivalents	30 898	26 283
	44 637	44 146
TOTAL ASSETS	73 302	75 043
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	40 212	40 212
Reserves	26 354	26 945
	66 566	67 157
Minority Interests	-	-
Total equity	66 566	67 157
Non-Current Liabilities		
Deferred tax liability	1 929	2 100
	1 929	2 100
Current Liabilities		
Trade and other payables	4 807	5 786
Taxation	-	-
	4 807	5 786
Total Liabilities	6 736	7 886
TOTAL EQUITY AND LIABILITIES	73 302	75 043
Net Assets Per Share (sen)	165.54	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 YEAR ENDED
31 MAY 2009**

	Individual Quarter		Cumulative Quarters	
	3 months ended 31-May-09 RM'000	3 months ended 31-May-08 RM'000	12 months ended 31-May-09 RM'000	12 months ended 31-May-08 RM'000
Revenue	<u>14 593</u>	<u>17 784</u>	<u>62 797</u>	<u>73 775</u>
Operating (loss)/profit	(68)	1 145	3 394	6 285
Interest expense	-	-	-	-
Interest income	<u>35</u>	<u>143</u>	<u>547</u>	<u>651</u>
(Loss)/Profit before tax	(33)	1 288	3 941	6 936
Tax expense	<u>142</u>	<u>(148)</u>	<u>(569)</u>	<u>(607)</u>
Profit for the year	<u>109</u>	<u>1 140</u>	<u>3 372</u>	<u>6 329</u>
Attributable to :				
Shareholders of the Company	109	1 140	3 372	6 329
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the year	<u>109</u>	<u>1 140</u>	<u>3 372</u>	<u>6 329</u>
Basic earnings per ordinary share (sen)	0.27	2.83	8.39	15.75
Diluted earnings per ordinary share (sen)	0.27	2.83	8.39	15.67

(The Condensed Consolidated Income 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)

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 MAY 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 year	-	-	-	6 329	6 329
ESOS exercised	212	-	-	-	212
Transfer to share premium for ESOS exercised	-	9	(9)	-	-
Share-based payment under ESOS	-	-	68	-	68
Share option reserve expired/lapsed	-	-	(20)	20	-
Dividend	-	-	-	(3 587)	(3 587)
Balance as at 31 May 2008	<u>40 212</u>	<u>8 099</u>	<u>148</u>	<u>18 698</u>	<u>67 157</u>
Balance as at 1 June 2008	40 212	8 099	148	18 698	67 157
Profit for the year	-	-	-	3 372	3 372
ESOS exercised	-	-	-	-	-
Transfer to share premium for ESOS exercised	-	-	-	-	-
Share-based payment under ESOS	-	-	58	-	58
Share option reserve expired/lapsed	-	-	(26)	26	-
Dividend	-	-	-	(4 021)	(4 021)
Balance as at 31 May 2009	<u>40 212</u>	<u>8 099</u>	<u>180</u>	<u>18 075</u>	<u>66 566</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 YEAR ENDED
31 MAY 2009**

	Cumulative Quarters	
	12 months ended 31-May-09 RM'000	12 months ended 31-May-08 RM'000
Cash Flows from Operating Activities		
Profit before tax	3 941	6 936
Adjustments for :		
Non-cash items	3 166	3 459
Non-operating items	(499)	(755)
Operating profit before changes in working capital	<u>6 608</u>	<u>9 640</u>
Changes in working capital :		
Net change in current assets	4 337	(1 696)
Net change in current liabilities	(979)	(1 430)
Cash flows generated from operations	<u>9 966</u>	<u>6 514</u>
Tax (paid) / refunded	(953)	(1 285)
Net cash flows generated from operating activities	<u>9 013</u>	<u>5 229</u>
Cash Flows from Investing Activities		
Equity investments	-	-
Other investments	(377)	(1 535)
Net cash flow used in investing activities	<u>(377)</u>	<u>(1 535)</u>
Cash Flows from Financing Activities		
Dividend paid	(4 021)	(3 587)
ESOS exercised	-	212
Net cash flow used in financing activities	<u>(4 021)</u>	<u>(3 375)</u>
Net (decrease)/increase in cash and cash equivalents	4 615	319
Cash and cash equivalents at beginning of the year	<u>26 283</u>	<u>25 964</u>
Cash and cash equivalents at end of the year	<u>30 898</u>	<u>26 283</u>
Cash and cash equivalents at end of the year consist of :		
Short Term Fund	6 028	4 442
Deposits with licensed banks	22 991	11 696
Cash and bank balances	1 879	10 145
	<u>30 898</u>	<u>26 283</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 YEAR ENDED 31 MAY 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 :

FRSs/Interpretations	Effective Date
a FRS 107, Cash Flow Statements	1 June 2008
b FRS 112, Income Taxes	1 June 2008
c FRS 118, Revenue	1 June 2008
d FRS 134, Interim Financial Reporting	1 June 2008
e FRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 June 2008
f IC Interpretation 8, Scope of FRS 2	1 June 2008
g Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
h Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
i FRS 7, Financial Instruments: Disclosures	1 January 2010
j FRS 8, Operating Segments	1 July 2009
k FRS 123, Borrowing Costs	1 January 2010
l FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
m IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
n IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010
o IC Interpretation 11, FRS 2 - Group and Treasury Share Transactions	1 January 2010
p IC interpretation 14, FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	1 January 2010

The Group and the Company plan to apply the abovementioned FRSs/Interpretations from the annual period beginning 1 June 2010.

A2 Changes in accounting policies (Con't)

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

FRS 8, Operating Segements

FRS 8 will become effective for financial statements for the year ending 31 May 2011. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments. The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

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 year ended 31 May 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 year ended 31 May 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.

On 5 March 2009, the Company paid an Interim Single Tier Dividend of 3 sen per ordinary share amounting to RM1,206,375 in respect of the current financial year.

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 year ended 31 May 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 YEAR ENDED 31 MAY 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 RM62.79 million for the current financial year ended 31 May 2009 reflecting a decrease of RM10.99 million or 14.90% when compared to the revenue of RM73.78 million in the preceding financial year. The Group registered a profit before tax of RM3.94 million, an decrease of RM3.00 million or 43.23% when compared to the profit before tax of RM6.94 million in the preceding financial year. The result was due to the lower revenue for the current financial year under review.

B2 Variation of Results Against Preceding Quarter

The Group's revenue for the quarter ended 31 May 2009 showed an improvement of 17.38% to RM14.59 million when compared to the revenue of RM12.43 million in the previous quarter ended 28 February 2009. The Group registered a loss before tax of RM33,000, a decrease of 107.59% when compared to the profit before tax of RM435,000 in the previous quarter. Overall, the Group are selling at a lower selling price for the current financial period under review.

B3 Current Year Prospects

Based on the performance recorded in the current financial year, barring unforeseen circumstances, the Board is of the opinion that the Group's performance will continue to be positive for the next financial year.

B4 Profit Forecast

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

B5 Tax Expense

	Individual Quarter		Cumulative Quarters	
	3 months ended 31-May-09 RM'000	3 months ended 31-May-08 RM'000	12 months ended 31-May-09 RM'000	12 months ended 31-May-08 RM'000
Current tax expense				
Malaysian - Current	(139)	99	741	783
- Prior years	-	1	(1)	20
Deferred tax expense				
Malaysian - Current	(3)	48	(171)	(198)
- Prior years	-	-	-	2
	<u>(142)</u>	<u>148</u>	<u>569</u>	<u>607</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 year ended 31 May 2009.

B7 Quoted Investments

Particulars of investment in quoted securities :	Current Quarter RM'000	Current Year To Date RM'000
At cost b/f	1 783	2 300
Total additions during the year	-	583
Total disposals during the year	-	(1 100)
At cost c/f	<u>1 783</u>	<u>1 783</u>
Market value of quoted investments	<u>1 793</u>	<u>1 793</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 31 May 2009.

B10 Off Balance Sheet Financial Instruments

The financial instruments with off balance sheet risk as at 20 July 2009 are as follows : -

<u>Instrument</u>	<u>Contract Date</u>	<u>Terms</u>	<u>RM Equivalent</u> <u>RM'000</u>	<u>Foreign Currency</u> <u>000</u>
Foreign Exchange Forward Contracts	Various	1-6 months	9 989	USD2,800

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 Board recommends a Final Single Tier Dividend of Eight (8) Sen per share for the financial year ended 31 May 2009. This recommendation is subject to shareholders' approval at the forthcoming Annual General Meeting. The date of book closure will be notified in due course.

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 RM109,000 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
27 July 2009