

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AT 30 NOVEMBER 2008**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Quarter</b>	<b>Year</b>
	<b>Ended</b>	<b>Ended</b>
	<b>30-Nov-08</b>	<b>31-May-08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	27 380	28 272
Prepaid lease payments	323	325
Other investments	7 676	6 706
	35 379	35 303
<b>Current Assets</b>		
Inventories	14 524	11 570
Trade and other receivables	4 965	6 163
Tax refundable	122	130
Cash and cash equivalents	23 465	21 877
	43 076	39 740
<b>TOTAL ASSETS</b>	78 455	75 043
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	40 212	40 212
Reserves	30 038	26 945
	70 250	67 157
<b>Minority Interests</b>	-	-
<b>Total equity</b>	70 250	67 157
<b>Non-Current Liabilities</b>		
Deferred tax liability	1 870	2 100
	1 870	2 100
<b>Current Liabilities</b>		
Trade and other payables	6 028	5 786
Taxation	307	-
	6 335	5 786
<b>Total Liabilities</b>	8 205	7 886
<b>TOTAL EQUITY AND LIABILITIES</b>	78 455	75 043
Net Assets Per Share (sen)	174.70	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  
30 NOVEMBER 2008**

	Individual Quarter		Cumulative Quarters	
	3 months ended 30-Nov-08 RM'000	3 months ended 30-Nov-07 RM'000	6 months ended 30-Nov-08 RM'000	6 months ended 30-Nov-07 RM'000
Revenue	<u>19 556</u>	<u>18 064</u>	<u>35 843</u>	<u>39 631</u>
Operating profit	2 045	1 744	3 310	4 125
Interest expense	-	-	-	-
Interest income	<u>116</u>	<u>178</u>	<u>229</u>	<u>346</u>
Profit before tax	2 161	1 922	3 539	4 471
Tax expense	<u>(364)</u>	<u>(240)</u>	<u>(495)</u>	<u>(389)</u>
Profit for the period	<u>1 797</u>	<u>1 682</u>	<u>3 044</u>	<u>4 082</u>
Attributable to :				
Shareholders of the Company	1 797	1 682	3 044	4 082
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>1 797</u>	<u>1 682</u>	<u>3 044</u>	<u>4 082</u>
Basic earnings per ordinary share (sen)	4.47	4.18	7.57	10.16
Diluted earnings per ordinary share (sen)	4.47	4.13	7.57	10.02

(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)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED  
30 NOVEMBER 2008**

	<u>Non Distributable</u>		<u>Distributable</u>		<b>Total RM'000</b>
	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Share Option Reserve RM'000</b>	<b>Retained Profits RM'000</b>	
<b>Balance as at 1 June 2007</b>	40 000	8 090	109	15 936	64 135
Profit for the period	-	-	-	4 082	4 082
ESOS exercised	212	-	-	-	212
Transfer to share premium for ESOS exercised	-	9	(9)	-	-
Share-based payment under ESOS	-	-	29	-	29
Share option reserve expired/lapsed	-	-	(13)	13	-
Dividend	-	-	-	-	-
<b>Balance as at 30 November 2007</b>	<u>40 212</u>	<u>8 099</u>	<u>116</u>	<u>20 031</u>	<u>68 458</u>
<b>Balance as at 1 June 2008</b>	40 212	8 099	148	18 698	67 157
Profit for the period	-	-	-	3 044	3 044
ESOS exercised	-	-	-	-	-
Transfer to share premium for ESOS exercised	-	-	-	-	-
Share-based payment under ESOS	-	-	49	-	49
Share option reserve expired/lapsed	-	-	(17)	17	-
Dividend	-	-	-	-	-
<b>Balance as at 30 November 2008</b>	<u>40 212</u>	<u>8 099</u>	<u>180</u>	<u>21 759</u>	<u>70 250</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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**AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED  
30 NOVEMBER 2008**

	<b>Cumulative Quarters</b>	
	<b>6 months ended 30-Nov-08 RM'000</b>	<b>6 months ended 30-Nov-07 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	3 539	4 471
Adjustments for :		
Non-cash items	1 637	1 711
Non-operating items	<u>(227)</u>	<u>(345)</u>
Operating profit before changes in working capital	4 949	5 837
Changes in working capital :		
Net change in current assets	(1 756)	87
Net change in current liabilities	<u>242</u>	<u>(1 622)</u>
Cash flows generated from operations	3 435	4 302
Tax (paid) / refunded	<u>(411)</u>	<u>(572)</u>
Net cash flows generated from operating activities	<u>3 024</u>	<u>3 730</u>
<b>Cash Flows from Investing Activities</b>		
Equity investments	-	-
Other investments	<u>(1 436)</u>	<u>(1 304)</u>
Net cash flow used in investing activities	<u>(1 436)</u>	<u>(1 304)</u>
<b>Cash Flows from Financing Activities</b>		
Dividend paid	-	-
ESOS exercised	<u>-</u>	<u>212</u>
Net cash flow used in financing activities	<u>-</u>	<u>212</u>
Net (decrease)/increase in cash and cash equivalents	1 588	2 638
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>23 465</u>	<u>28 602</u>
Cash and cash equivalents at end of the period consist of :		
Deposits with licensed banks	16 344	17 729
Cash and bank balances	<u>7 121</u>	<u>10 873</u>
	<u>23 465</u>	<u>28 602</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)

(Incorporated in Malaysia)

## **AND ITS SUBSIDIARIES**

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2008**

#### **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 30 November 2008.

**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 30 November 2008.

**A8 Dividends Paid**

No dividends were paid during the current financial period ended 30 November 2008.

**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 30 November 2008.

**A13 Contingent Liabilities or Contingent Assets**

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

**EUROSPAN HOLDINGS BERHAD** (351927-M)  
(Incorporated in Malaysia)  
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 NOVEMBER 2008**

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

**B1 Review of Performance**

The Group recorded a revenue of RM35.79 million for the current financial period ended 30 November 2008 reflecting a decrease of RM3.84 million or 9.7% when compared to the revenue of RM39.63 million in the preceding financial period. The Group registered a profit before tax of RM3.54 million, an decrease of RM0.93 million or 20.8% when compared to the profit before tax of RM4.47 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 30 November 2008 showed an increase of 19.7% to RM19.50 million when compared to the revenue of RM16.29 million in the previous quarter ended 31 August 2008. The Group's profit before tax showed an increase of 56.8% to RM2.16 million when compared to the profit before tax of RM1.38 million in the previous quarter. The result was mainly due to the increase in revenue and the appropriate measures taken by the Group to control the cost of production, which subsequently increase the profit margin.

**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**

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>3 months ended 30-Nov-08 RM'000</b>	<b>3 months ended 30-Nov-07 RM'000</b>	<b>6 months ended 30-Nov-08 RM'000</b>	<b>6 months ended 30-Nov-07 RM'000</b>
Current tax expense				
Malaysian - Current	365	194	727	703
- Prior years	(1)	19	(1)	19
Deferred tax expense				
Malaysian - Current	-	25	(231)	(335)
- Prior years	-	2	-	2
	<u>364</u>	<u>240</u>	<u>495</u>	<u>389</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 30 November 2008.

## B7 Quoted Investments

Particulars of investment in quoted securities :	Current Quarter RM'000	Current Year To Date RM'000
At cost b/f	7 649	6 706
Total additions during the period	27	1 570
Total disposals during the period	-	(600)
At cost c/f	<u>7 676</u>	<u>7 676</u>
Market value of quoted investments	<u>7 673</u>	<u>7 619</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 30 November 2008.

## B10 Off Balance Sheet Financial Instruments

The financial instruments with off balance sheet risk as at 8 January 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	1-2 months	4 388	USD1,250

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 has declared an interim single tier dividend of Three (3) Sen per share for the financial period ended 30 November 2008 (30 November 2007 : normal exempt dividend of Three (3) Sen per share).

The interim dividend will be paid on 5 March 2009 to depositors registered in the Records of Depositors on 18 February 2009.

A depositor shall qualify for entitlement only in respect of :-

- Shares transferred into the depositor's securities account before 4.00 p.m. on 18 February 2009 in respect of transfers;
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

## 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 RM1.80 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  
15 January 2008