

**CN ASIA CORPORATION BHD** (Company No.: 399442-A)  
(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|   | INDIVIDUAL QUARTER  |   | CUMULATIVE QUARTER   |  |
|---|---|---|--|--|
|   | Current<br>Year<br>Quarter<br>Ended<br>31/03/2008<br>RM'000 | Preceding<br>Year<br>Quarter<br>Ended<br>31/03/2007<br>RM'000 | Current<br>Year<br>3 Months<br>Ended<br>31/03/2008<br>RM'000 | Preceding<br>Year<br>3 Months<br>Ended<br>31/03/2007<br>RM'000 |
| Revenue   | 6,884   | 4,703   | 6,884  | 4,703  |
| Operating Expenses  | (6,284)   | (4,837)   | (6,284)  | (4,837)  |
| Other operating income  | -   | 15  | -  | 15   |
| Profit/(Loss) from operations   | <u>600</u>  | <u>(119)</u>  | <u>600</u>   | <u>(119)</u>   |
| Finance cost  | (132)   | (152)   | (132)  | (152)  |
| Depreciation and amortisation   | (334)   | (360)   | (334)  | (360)  |
| Share of losses of associated company                                   | (31)  | (25)  | (31)   | (25)   |
| Profit/(Loss) before taxation and minority interests (MI)               | <u>103</u>  | <u>(656)</u>  | <u>103</u>   | <u>(656)</u>   |
| Taxation  | 2   | 2   | 2  | 2  |
| Profit/(Loss) after taxation before MI                                  | <u>105</u>  | <u>(654)</u>  | <u>105</u>   | <u>(654)</u>   |
| Minority interests  | -   | -   | -  | -  |
| Net profit/(loss) for the period attributable to members of the company | <u>105</u>  | <u>(654)</u>  | <u>105</u>   | <u>(654)</u>   |
| Earnings per share (sen)  |   |   |  |  |
| - Basic   | <u>0.2</u>  | <u>(1.4)</u>  | <u>0.2</u>   | <u>(1.4)</u>   |
| - Fully diluted   | <u>N/A</u>  | <u>N/A</u>  | <u>N/A</u>   | <u>N/A</u>   |

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

**CONDENSED CONSOLIDATED BALANCE SHEET**

|   | As At<br>End of<br>Current<br>Quarter<br>31/03/2008<br>RM'000 | As At<br>Preceding<br>Financial<br>Year Ended<br>31/12/2007<br>RM'000 |
|---|---|---|
| <b>ASSETS</b>                                   |   |   |
| Non-current Assets                              |   |   |
| <i>Property, plant &amp; equipment</i>          | 24,483  | 24,752  |
| <i>Prepaid land lease payments</i>              | 6,975   | 6,995   |
| <i>Intangible assets</i>                        | 78  | 89  |
| <i>Investment property</i>                      | 380   | 380   |
| <i>Investment in associated company</i>         | -   | 31  |
| <i>Capital work-in-progress</i>                 | 1,872   | 1,872   |
| <i>Goodwill on consolidation</i>                | 136   | 136   |
|   | 33,924  | 34,255  |
| Current Assets                                  |   |   |
| <i>Inventories</i>                              | 8,186   | 8,629   |
| <i>Trade and other receivables</i>              | 9,177   | 11,649  |
| <i>Cash at banks and in hand</i>                | 2,539   | 1,384   |
|   | 19,902  | 21,662  |
| <b>TOTAL ASSETS</b>                             | <b>53,826</b>   | <b>55,917</b>   |
| <b>EQUITY AND LIABILITIES</b>                   |   |   |
| Equity  |   |   |
| <i>Share capital</i>                            | 45,382  | 45,382  |
| <i>Reserves</i>                                 | (8,573)   | (8,678)   |
| Shareholders' Equity                            | 36,809  | 36,704  |
| Liabilities                                     |   |   |
| Non-current Liabilities                         |   |   |
| <i>Hire Purchase Payables</i>                   | 1,529   | 1,765   |
| <i>Deferred Taxation</i>                        | 613   | 615   |
|   | 2,142   | 2,380   |
| Current Liabilities                             |   |   |
| <i>Amount due to customer for contract work</i> | -   | 855   |
| <i>Trade and other payables</i>                 | 6,160   | 7,198   |
| <i>Overdraft and short term borrowings</i>      | 8,715   | 8,780   |
| <i>Taxation</i>                                 | -   | -   |
|   | 14,875  | 16,833  |
| <b>TOTAL LIABILITIES</b>                        | 17,017  | 19,213  |
| <b>TOTAL EQUITY AND LIABILITIES</b>             | <b>53,826</b>   | <b>55,917</b>   |
| Net Assets Per Share (RM)                       | 0.81  | 0.81  |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007)

**CN ASIA CORPORATION BHD**  
**(Company No: 399442-A)**  
**(Incorporated in Malaysia)**

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|   | <b>Current<br/>Year<br/>3 Months<br/>Ended<br/>31/03/2008<br/>RM'000</b> | <b>Preceding<br/>Year<br/>3 Months<br/>Ended<br/>31/03/2007<br/>RM'000</b> |
|---|--|--|
| Cash Flows From Operating Activities                      |  |  |
| Profit/(Loss) Before Tax But After Minority Interest      | 103  | (656)  |
| Adjustments For:-   |  |  |
| Non cash items  | 403  | 385  |
| Non-operating items                                       | 132  | 143  |
|   | 535  | 528  |
| Operating Profit/(Loss) Before Working Capital Changes    | 638  | (128)  |
| Changes In Working Capital                                |  |  |
| Net Change In Current Assets                              | 2,915  | (2,230)  |
| Net Change In Current Liabilities                         | (1,931)  | 724  |
| Cash Generated From / (Used In) Operations                | 1,622  | (1,634)  |
| Interest received/(paid)                                  | (132)  | (143)  |
| Net Cash Generated From / (Used In) Operating Activities  | 1,490  | (1,777)  |
| Cash Flows From Investing Activities                      |  |  |
| Other investment  | (34)   | (352)  |
| Net Cash Used In Investing Activities                     | (34)   | (352)  |
| Cash Flows From Financing Activities                      |  |  |
| Placement of interest earned on pledged fixed deposits    | -  | (8)  |
| Bank borrowings   | (1,197)  | 1,162  |
| Net Cash (Used In) / Generated From Financing Activities  | (1,197)  | 1,154  |
| Net Increase / (Decrease) In Cash And Cash Equivalents    | 259  | (975)  |
| Cash And Cash Equivalents At Beginning Of The Year        | (2,058)  | (684)  |
| Cash And Cash Equivalents At End Of The Financial Quarter | (1,799)  | (1,659)  |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007)

**CN ASIA CORPORATION BHD**  
**(Company No: 399442-A)**  
**(Incorporated in Malaysia)**

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|                                       | SHARE<br>CAPITAL<br>(RM'000) | SHARE<br>PREMIUM<br>(RM'000) | RESERVE ON<br>CONSOLIDATION<br>(RM'000) | CAPITAL RESERVE<br>(RM'000) | ACCUMULATED<br>LOSSES<br>(RM'000) | TOTAL<br>SHAREHOLDERS'<br>FUND<br>(RM'000) |
|---------------------------------------|------------------------------|------------------------------|---|-----------------------------|-----------------------------------|--|
| <b>Current Year 3 Months</b>          |                              |                              |   |                             |                                   |  |
| <b><u>Ended 31/03/2008</u></b>        |                              |                              |   |                             |                                   |  |
| Balance at beginning of the year      | 45,382                       | 3,492                        | -                                       | 631                         | (12,801)                          | 36,704                                     |
| Movement during the year (cumulative) |                              |                              |   |                             |                                   |  |
| - Profit for the period               | -                            | -                            | -                                       | -                           | 105                               | 105  |
| Balance at end of the period          | <u>45,382</u>                | <u>3,492</u>                 | <u>-</u>                                | <u>631</u>                  | <u>(12,696)</u>                   | <u>36,809</u>                              |
| <b>Preceding Year 3 Months</b>        |                              |                              |   |                             |                                   |  |
| <b><u>Ended 31/03/2007</u></b>        |                              |                              |   |                             |                                   |  |
| Balance at beginning of the year      | 45,382                       | 3,492                        | -                                       | 631                         | (13,502)                          | 36,003                                     |
| Movement during the year (cumulative) |                              |                              |   |                             |                                   |  |
| - Loss for the period                 | -                            | -                            | -                                       | -                           | (654)                             | (654)                                      |
| Balance at end of the period          | <u>45,382</u>                | <u>3,492</u>                 | <u>-</u>                                | <u>631</u>                  | <u>(14,156)</u>                   | <u>35,349</u>                              |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007)

**Notes To The Quarterly Report For The First Financial Quarter Ended 31 March 2008**

**A Selected Explanatory Notes Pursuant To FRS 134**

(a) Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2007. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements for the year ended 31 December 2007.

(b) Qualification Of Financial Statements

There was no qualification on audit report of preceding annual financial statements.

(c) Seasonal And Cyclical Factors

The operations of the Group is traditionally seasonal and cyclical in nature whereby it is closely linked to the oil majors retail business which normally experience low period in the first quarter and peak during the fourth quarter of the year.

There has been no significant changes in this factors over the years.

(d) Items Of An Unusual Nature

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

(e) Changes In Estimates Reported

There was no changes in estimates reported in prior interim periods of the current financial year or prior financial year, which have a material effect in the current interim period.

(f) Changes In Equity

There were no issuances, cancellation, repurchase, resale and repayments of debts and equity securities for the current financial year-to-date.

(g) Dividend Paid

There was no dividend paid during the financial year-to-date.

(h) Segmental Information - By Activities

|   | Turnover<br>RM'000 | Profit/(Loss)<br>Before<br>Income Tax<br>RM'000 | Assets<br>Employed<br>RM'000 |
|---|--------------------|---|------------------------------|
| Manufacturing and marketing of skid tanks, pressure vessels, transportable containers for hazardous chemicals and fabrication works | 6,884              | 151   | 50,999                       |
| Investment holdings   | -                  | (48)  | 2,827                        |
|   | 6,884              | 103   | 53,826                       |

(i) Valuation Of Property, Plant And Equipment

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

(j) Material Subsequent Events

There were no material events subsequent to the end of the quarter reported on that have not been reflected in the financial statements for the period.

(k) Changes In The Composition

There were no changes in the composition of the company for the current quarter and financial year-to-date.

(l) Changes In Contingent Liabilities And Contingent Assets

|   | <b>Quarter Ended</b><br><b>31.03.2008</b><br><b>RM'000</b> | <b>Year Ended</b><br><b>31.12.2007</b><br><b>RM'000</b> |
|---|--|---|
| Contingent liabilities  |  |   |
| - In respect of corporate guarantee for credit facilities granted to a subsidiary company | <u>10,995</u>  | <u>13,431</u>   |
| Contingent assets   |  |   |
| - In respect of deferred tax benefit not provided for                                     | <u>6,007</u>   | <u>6,007</u>  |

**B Explanatory Notes Required By Bursa Malaysia Securities Listing Requirements****1. Review Of Performance Of The Group**

The Group reported a turnover and a profit before taxation of RM6.9 million and RM103,000 respectively for the quarter under review as compared to a turnover and a profit before taxation of RM7.9 million and RM449,000 respectively for the preceding quarter. This was mainly due to low volume of business coupled with further depreciation in US Dollar during the first quarter of the year.

Compared to the preceding year corresponding quarter, the Group achieved a 46% growth in turnover and recorded a profit before taxation of RM103,000 during the quarter under review as compared to a loss before taxation of RM656,000 for the preceding year corresponding quarter. This was mainly due to increase in sales volume in particular the exports to a neighbouring country during the quarter ended 31 March 2008.

**2. Variation Of Results Against Preceding Quarter**

The Group registered a profit before taxation of RM103,000 for the quarter as compared to a profit before taxation of RM449,000 for the preceding quarter mainly due to lower volume of business and further strengthen of Ringgit Malaysia against the US Dollar exchange rate during the first quarter of the year.

**3. Current Year Prospects**

Barring any unforeseen circumstances, in view of the improving economic situation in the oil and gas industry and cost control measures being undertaken by the Company, the Directors are cautiously optimistic that the Group's performance will be enhanced for the current financial year.

**4. Variance Of Actual Profit From Forecast Profit And Shortfall In Profit Guarantee**

There is no profit forecast provided in any public document.

**5. Taxation**

|                                    | Current<br>Financial<br>Quarter<br>31/03/2008<br>RM'000 | Current<br>Financial<br>Year-To-Date<br>31/03/2008<br>RM'000 |
|------------------------------------|---|--|
| The taxation is in respect of:-    |   |  |
| Transferred from deferred taxation | <u>2</u>  | <u>2</u>   |

The deferred taxation was in respect of timing difference arising from the surplus on revaluation of leasehold land held as property, plant and equipment of one of its wholly-owned subsidiary company.

**6. Profit / (Loss) on Sales Of Unquoted Investments And/Or Properties**

There were no profits or losses on any sales of unquoted investments and/or properties respectively for the current quarter and financial year-to-date.

**7. Purchase Or Disposal Of Quoted Securities**

There were no purchases or disposals of quoted securities by all companies for the current quarter and financial year-to-date.

**8. Corporate Proposal Status**

There was no corporate proposal announced but not completed at the date of this report.

**9. Group Borrowings**

|  | RM'000       |
|--|--------------|
| <b>(i) Short Term</b>                    |              |
| <u>SECURED</u>                           |              |
| Hire Purchase                            | 782          |
| Bank Overdrafts                          | 4,338        |
| Bankers Acceptance                       | <u>3,160</u> |
|  | <u>8,280</u> |
| <u>UNSECURED</u>                         |              |
| Bankers Acceptance                       | <u>435</u>   |
|  | <u>435</u>   |
| Total Short Term Borrowings Carried Down | <u>8,715</u> |



|  |                        |
|--|------------------------|
| Total Short Term Borrowings Brought Down | <b>RM'000</b><br>8,715 |
| <b>(ii) Long Term</b>                    |                        |
| <b><u>SECURED</u></b>                    |                        |
| Hire Purchase                            | 1,529                  |
| <b>TOTAL GROUP BORROWINGS</b>            | <b>10,244</b>          |

There was no foreign currency borrowings included in the above balances.

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks at the date of this report.

11. Material Litigation

At the date of this report, there were no changes in material litigation, including the status of pending material litigation in respect of the wholly-owned subsidiary company, CNEW since the last financial year ended 31 December 2007 as disclosed in the last quarterly report for the fourth financial quarter ended 31 December 2007.

12. Dividend

There was no interim dividend declared during the current quarter and financial year-to-date.

13. Earnings Per Share

|   | <b>Current<br/>Financial<br/>Quarter<br/>31/03/2008<br/>RM'000</b> | <b>Preceding<br/>Financial<br/>Quarter<br/>31/03/2007<br/>RM'000</b> | <b>Current<br/>Financial<br/>Year-To-Date<br/>31/03/2008<br/>RM'000</b> | <b>Preceding<br/>Financial<br/>Year-To-Date<br/>31/03/2007<br/>RM'000</b> |
|---|--|--|---|---|
| Net profit/(loss) for the period attributable to members of the | 105  | (654)  | 105   | (654)   |
| Weighted average number of ordinary shares in issue ('000)      | 45,382   | 45,382   | 45,382  | 45,382  |
| Basic earnings per share (sen)                                  | <u>0.2</u>   | <u>(1.4)</u>   | <u>0.2</u>  | <u>(1.4)</u>  |

BY ORDER OF THE BOARD

KOH MUI TEE  
Company Secretary  
Selangor, 21 May 2008