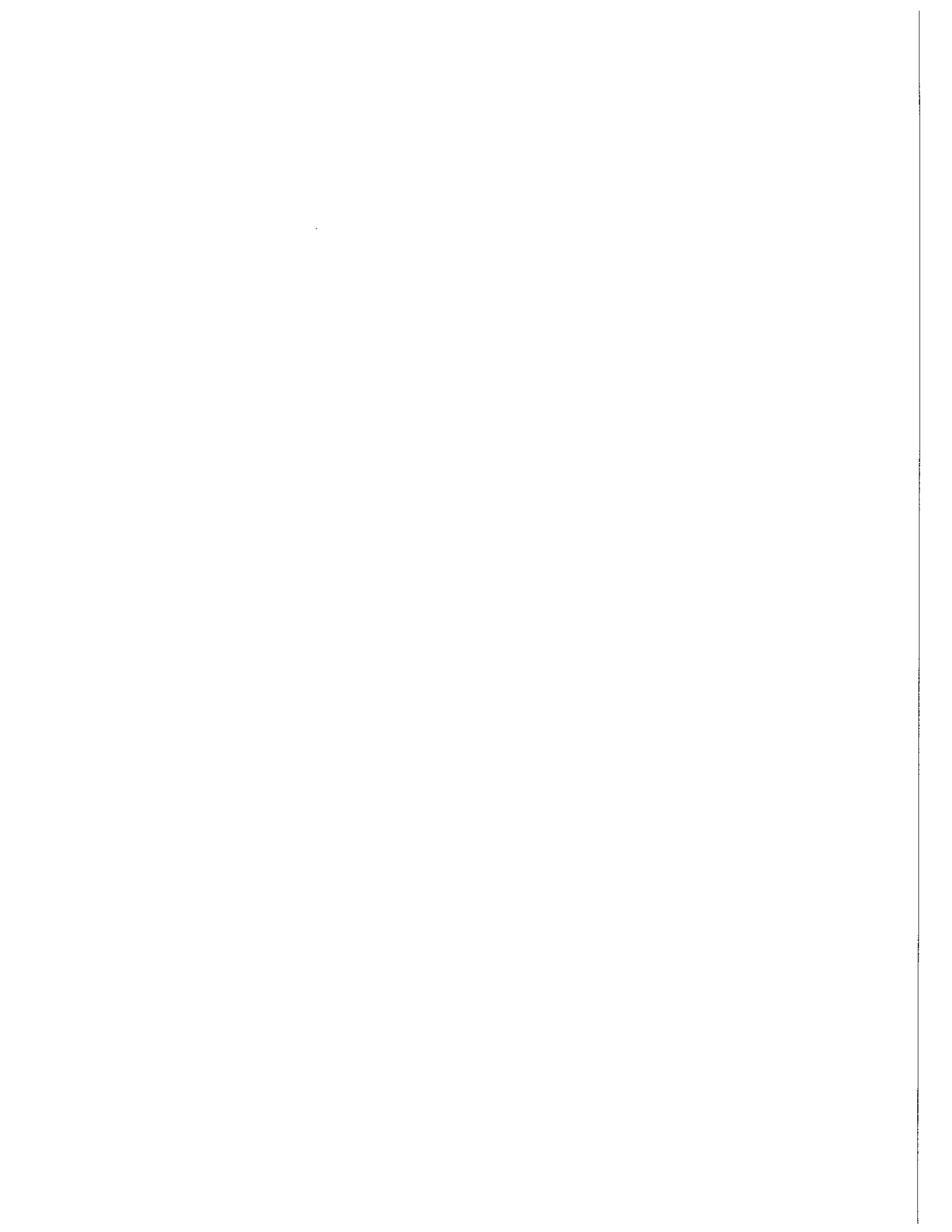


CN ASIA CORPORATION BHD (Company No.: 399442-A)
(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**



**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2008 RM'000	Preceding Year Quarter Ended 31/12/2007 RM'000	Current Financial Year Ended 31/12/2008 RM'000	Preceding Financial Year Ended 31/12/2007 RM'000
Revenue	7,905	7,959	28,681	29,275
Operating Expenses	(7,348)	(7,140)	(26,115)	(26,162)
Other operating income	274	143	274	189
Profit from operations	<u>831</u>	<u>962</u>	<u>2,840</u>	<u>3,302</u>
Finance cost	(106)	(174)	(524)	(657)
Depreciation and amortisation	(362)	(356)	(1,407)	(1,431)
Revaluation deficit of leasehold building	-	(15)	-	(15)
Loss on disposal of property, plant & equipment	-	-	-	(285)
Litigation settlement	(217)	-	(217)	-
Share of profits/(losses) of associated company	22	31	(9)	6
Profit before taxation and minority interests (MI)	<u>168</u>	<u>448</u>	<u>683</u>	<u>920</u>
Taxation	2	2	6	7
Profit after taxation before MI	<u>170</u>	<u>450</u>	<u>689</u>	<u>927</u>
Minority interests	-	-	-	-
Net profit for the period attributable to members of the company	<u>170</u>	<u>450</u>	<u>689</u>	<u>927</u>
Earnings per share (sen)				
- Basic	<u>0.4</u>	<u>1.0</u>	<u>1.5</u>	<u>2.0</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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

CONDENSED CONSOLIDATED BALANCE SHEET

	As At End of Current Quarter 31/12/2008 RM'000	As At Preceding Financial Year Ended 31/12/2007 RM'000
ASSETS		
Non-current Assets		
<i>Property, plant & equipment</i>	25,456	24,752
<i>Prepaid land lease payments</i>	6,912	6,995
<i>Intangible assets</i>	213	89
<i>Investment property</i>	380	380
<i>Investment in associated company</i>	22	31
<i>Capital work-in-progress</i>	324	1,872
<i>Goodwill on consolidation</i>	136	136
	33,443	34,255
Current Assets		
<i>Inventories</i>	8,289	8,629
<i>Trade and other receivables</i>	7,607	11,649
<i>Cash at banks and in hand</i>	2,626	1,384
	18,522	21,662
TOTAL ASSETS	51,965	55,917
EQUITY AND LIABILITIES		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(8,179)	(8,678)
Shareholders' Equity	37,203	36,704
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	1,014	1,765
<i>Deferred Taxation</i>	608	615
	1,622	2,380
Current Liabilities		
<i>Amount due to customer for contract work</i>	-	855
<i>Trade and other payables</i>	7,237	7,198
<i>Overdraft and short term borrowings</i>	5,903	8,780
<i>Taxation</i>	-	-
	13,140	16,833
TOTAL LIABILITIES	14,762	19,213
TOTAL EQUITY AND LIABILITIES	51,965	55,917
Net Assets Per Share (RM)	0.82	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
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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Financial Year Ended 31/12/2008 RM'000	Preceding Financial Year Ended 31/12/2007 RM'000
Cash Flows From Operating Activities		
Profit Before Tax But After Minority Interest	683	920
Adjustments For:-		
Non cash items	1,457	1,466
Non-operating items	481	915
	1,938	2,381
Operating Profit Before Working Capital Changes	2,621	3,301
Changes In Working Capital		
Net Change In Current Assets	4,448	(7,067)
Net Change In Current Liabilities	(820)	1,411
Cash Generated From / (Used In) Operations	6,249	(2,355)
Interest received	-	40
Interest paid	(524)	(657)
Net Cash Generated From / (Used In) Operating Activities	5,725	(2,972)
Cash Flows From Investing Activities		
Deferred expenditure incurred	(187)	-
Capital Work-in-progress Incurred	(231)	(652)
Capital Work-in-progress Recovered	345	-
Proceeds from disposal of property, plant & equipment	-	645
Proceeds from refinancing of property, plant & equipment	-	740
Other investment	(554)	(675)
Net Cash (Used In) / Generated From Investing Activities	(627)	58
Cash Flows From Financing Activities		
Withdrawal of pledged fixed deposits	-	1,124
Bank borrowings	(2,848)	643
Dividend Paid	(227)	(227)
Income Tax Paid	(1)	-
Net Cash (Used In) / Generated From Financing Activities	(3,076)	1,540
Net Increase / (Decrease) In Cash And Cash Equivalents	2,022	(1,374)
Cash And Cash Equivalents At Beginning Of The Financial Year	(2,058)	(684)
Cash And Cash Equivalents At End Of The Financial Year	(36)	(2,058)

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL (RM'000)	SHARE PREMIUM (RM'000)	CAPITAL RESERVE (RM'000)	TRANSLATION RESERVE (RM'000)	ACCUMULATED LOSSES (RM'000)	TOTAL SHAREHOLDERS' FUND (RM'000)
Current Financial Year						
<u>Ended 31/12/2008</u>						
Balance at beginning of the year	45,382	3,492	631	-	(12,801)	36,704
Movement during the year (cumulative)						
- Profit for the year	-	-	-	-	689	689
- Foreign exchange translation differences	-	-	-	37	-	37
- Final dividend paid for financial year ended 31 December 2007	-	-	-	-	(227)	(227)
Balance at end of the year	45,382	3,492	631	37	(12,339)	37,203
Preceding Financial Year						
<u>Ended 31/12/2007</u>						
Balance at beginning of the year	45,382	3,492	631	-	(13,501)	36,004
Movement during the year (cumulative)						
- Profit for the year	-	-	-	-	927	927
- Final dividend paid for financial year ended 31 December 2006	-	-	-	-	(227)	(227)
Balance at end of the year	45,382	3,492	631	-	(12,801)	36,704

(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)

CN ASIA CORPORATION BHD
(Company No: 399442-A)
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Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 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

During the financial year-to-date, the Company paid a first and final tax exempt dividend of 0.5 sen per share amounting to RM226,912.50 in respect of the financial year ended 31 December 2007.

(h) Segmental Information - By Activities

	Turnover RM'000	Profit/(Loss) Before Income Tax RM'000	Assets Employed RM'000
Manufacturing and marketing of skid tanks, pressure vessels, transportable containers for hazardous chemicals and fabrication works	28,681	847	49,160
Investment holdings	-	(164)	2,805
	<u>28,681</u>	<u>683</u>	<u>51,965</u>

(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

During the financial year-to-date, the Company's wholly-owned subsidiary, Chip Ngai Engineering Works Sdn Bhd ("CNEW") had fully paid-up the entire registered share capital in Zhuhai CN Engineering Works Company Limited ("ZCN") of USD300,000. During the financial year-to-date, ZCN has registered a loss of RM165K with a total turnover of RM292K.

(l) Changes In Contingent Liabilities And Contingent Assets

	Year Ended 31.12.2008 RM'000	Year Ended 31.12.2007 RM'000
Contingent liabilities		
- In respect of corporate guarantee for credit facilities granted to a subsidiary company	<u>7,068</u>	<u>13,431</u>
Contingent assets		
- In respect of deferred tax benefit not provided for	<u>6,007</u>	<u>6,007</u>

Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2008 (cont'd)

B Explanatory Notes Required By Bursa Malaysia Securities Listing Requirements

1. Review Of Performance Of The Group

During the quarter under review, the profit of the Group has reduced from RM448K to RM168K over the preceding corresponding quarter despite a marginal reduction in turnover over the period and a substantial gain resulted from foreign exchange amounted to RM274K. This was mainly due to the recognition of the litigation settlement of RM217K and the loss contributed by the foreign subsidiary of RM165K during the quarter.

Likewise, for the current financial year to-date, the profit of the Group has reduced from RM920K to RM683K with a 2% reduction in turnover over the preceding corresponding financial year-to-date. This was mainly due to the recognition of the litigation settlement and the loss contributed from the foreign subsidiary during the current financial year-to-date.

2. Variation Of Results Against Preceding Quarter

The Group's profit before taxation for the quarter has increased from RM49K to RM168K over the preceding quarter due to a 11% increase in total turnover during the quarter. In addition, the strengthening of Ringgit Malaysia against other foreign currencies and the price reduction in steel material during the fourth quarter of the year has resulted in a higher profits during the quarter. However, losses contributed from the foreign subsidiary in Zhuhai amounted to RM165K and the recognition of the litigation settlement of RM217K has caused the lower profit during the quarter.

3. Current Year Prospects

Barring any unforeseen circumstances, despite the global financial crisis and with the cost control measures being undertaken by the Company, the Directors are cautiously optimistic that the Group's performance will be at least maintained 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 Financial Quarter 31/12/2008 RM'000	Current Financial Year-To-Date 31/12/2008 RM'000
The taxation is in respect of:-		
Taxation for the year	-	(1)
Transferred from deferred taxation	2	7
	<u>2</u>	<u>6</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

(i) Short Term

SECURED

Hire Purchase	752
Bank Overdrafts	2,478
Bankers Acceptance	2,381
	<u>5,611</u>

UNSECURED

9. Group Borrowings (Cont')

	RM'000
Total Short Term Borrowings Brought Down	5,903
(ii) Long Term	
<u>SECURED</u>	
Hire Purchase	1,014
TOTAL GROUP BORROWINGS	6,917

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, the material litigation, in respect of the wholly-owned subsidiary company, CNEW as disclosed in the last quarterly report for the third financial quarter ended 30 September 2008 has been agreed by both parties for a settlement out of court resulted in a litigation settlement sum of RM3.5 million of which RM217K has not been provided for in the previous quarterly report. This unrecorded amount of RM217K has been recognised as expenditure during the fourth financial quarter ended 31 December 2008.

The settlement sum shall be repaid over fifteen (15) monthly installments commencing from February 2009 till April 2010.

12. Dividend

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

13. Earnings Per Share

	Current Financial Quarter 31/12/2008 RM'000	Preceding Financial Quarter 31/12/2007 RM'000	Current Financial Year-To-Date 31/12/2008 RM'000	Preceding Financial Year-To-Date 31/12/2007 RM'000
Net profit for the period attributable to members of the company	170	450	689	927
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic earnings per share (sen)	0.4	1.0	1.5	2.0

BY ORDER OF THE BOARD

KOH MUI TEE
Company Secretary
Selangor, 25 February 2009