

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2009**

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CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2009 RM'000	Preceding Year Quarter Ended 30/06/2008 RM'000	Current Year 6 Months Ended 30/06/2009 RM'000	Preceding Year 6 Months Ended 30/06/2008 RM'000
Revenue	5,173	6,770	9,780	13,654
Operating Expenses	(4,447)	(5,903)	(9,581)	(12,187)
Other operating income	-	-	-	-
Profit from operations	<u>726</u>	<u>867</u>	<u>199</u>	<u>1,467</u>
Finance cost	(85)	(156)	(172)	(288)
Depreciation and amortisation	(352)	(348)	(703)	(682)
Share of losses of associated company	-	-	(22)	(31)
Profit / (Loss) before taxation and minority interests (MI)	<u>289</u>	<u>363</u>	<u>(698)</u>	<u>466</u>
Taxation	2	2	4	4
Profit / (Loss) after taxation before MI	<u>291</u>	<u>365</u>	<u>(694)</u>	<u>470</u>
Minority interests	-	-	-	-
Net profit / (loss) for the period attributable to members of the company	<u>291</u>	<u>365</u>	<u>(694)</u>	<u>470</u>
Earnings per share (sen)				
- Basic	<u>0.6</u>	<u>0.8</u>	<u>(1.5)</u>	<u>1.0</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 2008)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	As At End of Current Quarter 30/06/2009 RM'000	As At Preceding Financial Year Ended 31/12/2008 RM'000
ASSETS		
Non-current Assets		
<i>Property, plant & equipment</i>	25,062	25,456
<i>Prepaid land lease payments</i>	6,870	6,912
<i>Intangible assets</i>	172	213
<i>Investment property</i>	380	380
<i>Investment in associated company</i>	-	22
<i>Capital work-in-progress</i>	475	324
<i>Goodwill on consolidation</i>	136	136
	<u>33,095</u>	<u>33,443</u>
Current Assets		
<i>Inventories</i>	7,801	8,289
<i>Trade and other receivables</i>	6,271	7,643
<i>Cash at banks and in hand</i>	991	2,626
	<u>15,063</u>	<u>18,558</u>
TOTAL ASSETS	<u><u>48,158</u></u>	<u><u>52,001</u></u>
EQUITY AND LIABILITIES		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(8,873)	(8,179)
Shareholders' Equity	<u>36,509</u>	<u>37,203</u>
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	532	982
<i>Deferred Taxation</i>	604	608
	<u>1,136</u>	<u>1,590</u>
Current Liabilities		
<i>Trade and other payables</i>	3,399	7,273
<i>Overdraft and short term borrowings</i>	7,114	5,935
<i>Taxation</i>	-	-
	<u>10,513</u>	<u>13,208</u>
TOTAL LIABILITIES	<u>11,649</u>	<u>14,798</u>
TOTAL EQUITY AND LIABILITIES	<u><u>48,158</u></u>	<u><u>52,001</u></u>
Net Assets Per Share (RM)	<u>0.80</u>	<u>0.82</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year 6 Months Ended 30/06/2009 RM'000	Preceding Year 6 Months Ended 30/06/2008 RM'000
Cash Flows From Operating Activities		
(Loss) / Profit Before Tax But After Minority Interest	(698)	466
Adjustments For:-		
Non cash items	725	696
Non-operating items	172	288
	897	984
Operating Profit Before Working Capital Changes	199	1,450
Changes In Working Capital		
Net Change In Current Assets	1,865	4,405
Net Change In Current Liabilities	(3,878)	(1,388)
Cash Generated From Operations	(1,814)	4,467
Interest (paid) / received	(172)	(288)
Net Cash (Used In) / Generated From Operating Activities	(1,986)	4,179
Cash Flows From Investing Activities		
Deferred expenditure incurred	-	(11)
Capital Work-in-progress Incurred	(151)	-
Other investment	(226)	(452)
Net Cash Used In Investing Activities	(377)	(463)
Cash Flows From Financing Activities		
Bank borrowings	898	(1,687)
Net Cash Generated From / (Used In) Financing Activities	898	(1,687)
Net Increase In Cash And Cash Equivalents	(1,465)	2,029
Cash And Cash Equivalents At Beginning Of The Financial Year	(37)	(2,058)
Cash And Cash Equivalents At End Of The Financial Quarter	(1,502)	(29)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

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UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
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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 Year 6 Months						
<u>Ended 30/06/2009</u>						
Balance at beginning of the year	45,382	3,492	631	37	(12,339)	37,203
Movement during the year (cumulative)						
- Loss for the period	-	-	-	-	(694)	(694)
Balance at end of the period	<u>45,382</u>	<u>3,492</u>	<u>631</u>	<u>37</u>	<u>(13,033)</u>	<u>36,509</u>
Preceding Year 6 Months						
<u>Ended 30/06/2008</u>						
Balance at beginning of the year	45,382	3,492	631	-	(12,801)	36,704
Movement during the year (cumulative)						
- Profit for the period	-	-	-	-	470	470
Balance at end of the period	<u>45,382</u>	<u>3,492</u>	<u>631</u>	<u>-</u>	<u>(12,331)</u>	<u>37,174</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 2008)

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Notes To The Quarterly Report For The Second Financial Quarter Ended 30 June 2009

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 2008. 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 2008.

(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

(i) By Activities

	Manufacturing and marketing of tanks,engineering, transportable containers for hazardous chemicals and fabrication works RM'000	Investment holdings RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	9,780	-	-	9,780
Inter-segment revenue	196	30	(226)	-
Total revenue	<u>9,976</u>	<u>30</u>	<u>(226)</u>	<u>9,780</u>
Results				
Segment results	(360)	(103)	-	(463)
Unallocated expenses	-	-	-	(41)
Finance cost	(172)	-	-	(172)
Share of losses of associated company	-	-	-	(22)
Taxation	-	-	-	4
Loss attributable to members of the company				<u>(694)</u>

Notes To The Quarterly Report For The Second Financial Quarter Ended 30 June 2009 (cont'd)

(h) Segmental Information (cont'd)(i) By Activities (cont'd)

	Manufacturing and marketing of tanks, engineering, transportable containers for hazardous chemicals and fabrication works	Investment holdings	Eliminations	Consolidated
Other information				
Segment assets	45,164	2,624	-	47,788
Unallocated assets	-	-	-	308
Tax assets	36	26	-	62
Consolidated total assets				<u>48,158</u>
Segment liabilities	3,386	13	-	3,399
Interest bearing liabilities	7,646	-	-	7,646
Deferred taxation liabilities	-	604	-	604
Consolidated total liabilities				<u>11,649</u>
Capital expenditure	226	-	-	226
Depreciation and amortisation	<u>687</u>	<u>16</u>	<u>-</u>	<u>703</u>

(ii) By Geographical

	Malaysia RM'000	The People's Republic of China RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	9,780	-	-	9,780
Inter-segment revenue	<u>30</u>	<u>196</u>	<u>(226)</u>	<u>-</u>
Total revenue	<u>9,810</u>	<u>196</u>	<u>(226)</u>	<u>9,780</u>
Results				
Segment results	(382)	(81)	-	(463)
Unallocated expenses	-	-	-	(41)
Finance cost	(172)	-	-	(172)
Share of losses of associated company	-	-	-	(22)
Taxation	-	-	-	4
Loss attributable to members of the company				<u>(694)</u>
Other information				
Segment assets	46,873	915	-	47,788
Unallocated assets	-	-	-	308
Tax assets	62	-	-	62
Consolidated total assets				<u>48,158</u>
Segment liabilities	3,398	1	-	3,399
Interest bearing liabilities	7,646	-	-	7,646
Deferred taxation liabilities	604	-	-	604
Consolidated total liabilities				<u>11,649</u>
Capital expenditure	226	-	-	226
Depreciation and amortisation	<u>687</u>	<u>16</u>	<u>-</u>	<u>703</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.

Notes To The Quarterly Report For The Second Financial Quarter Ended 30 June 2009 (cont'd)

(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

	Period Ended 30.06.2009 RM'000	Year Ended 31.12.2008 RM'000
Contingent liabilities		
- In respect of corporate guarantee for credit facilities granted to a subsidiary company	<u>8,309</u>	<u>8,104</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

During the quarter under review, the profit of the Group has reduced from RM363K to RM289K over the preceding corresponding quarter as a result of a 24% reduction in turnover.

Likewise, for the current financial year to-date, the Group recorded a loss before taxation of RM698K as compared to a profit before taxation of RM466K in the preceding corresponding financial year-to-date mainly due to reduction in turnover by 28% over the preceding year corresponding period. The reduction in turnover during the period was mainly contributed by the economic slowdown which cause the deferment of certain projects.

2. Variation Of Results Against Preceding Quarter

The Group registered a profit before taxation of RM289K for the quarter as compared to a loss before taxation of RM987K for the preceding quarter as a result of 12% increase in turnover during the quarter under review.

3. Current Year Prospects

In view of the global economic slowdown, the current financial year is expected to be a challenging year for the Group. Barring any unforeseen circumstances, the Directors will continue to ensure cost control measures and pro-active business strategies being undertaken by the company in order to boost the Group's performance 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 30/06/2009 RM'000	Current Financial Year-To-Date 30/06/2009 RM'000
The taxation is in respect of:-		
Transferred from deferred taxation	<u>2</u>	<u>4</u>
	<u>2</u>	<u>4</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.

*Notes To The Quarterly Report For The Second Financial Quarter Ended 30 June 2009 (cont'd)*9. Group Borrowings**(i) Short Term**

RM'000

SECURED

Hire Purchase	807
Bank Overdrafts	2,420
Bankers Acceptance	3,814
	<hr/> 7,041

UNSECURED

Bank Overdrafts	73
Total Short Term Borrowings	<hr/> 7,114

(ii) Long TermSECURED

Hire Purchase	532
	<hr/> 532

TOTAL GROUP BORROWINGS

	<hr/> <hr/> 7,646
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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

On 22 April 2009, a Consent Judgement on the litigation settlement sum of RM3.5 million, as disclosed in the quarterly report for the fourth financial quarter ended 31 December 2008, has been recorded at the Shah Alam High Court.

12. Dividend

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

13. Earnings Per Share

	Current Financial Quarter 30/06/2009 RM'000	Preceding Financial Quarter 30/06/2008 RM'000	Current Financial Year-To-Date 30/06/2009 RM'000	Preceding Financial Year-To-Date 30/06/2008 RM'000
Net profit / (loss) for the period attributable to members of the company	291	365	(694)	470
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic earnings per share (sen)	<hr/> 0.6	<hr/> 0.8	<hr/> (1.5)	<hr/> 1.0

BY ORDER OF THE BOARD

KOH MUI TEE
Company Secretary
Selangor, 28 July 2009