

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

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**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2009 RM'000	Preceding Year Quarter Ended 30/09/2008 RM'000	Current Year 9 Months Ended 30/09/2009 RM'000	Preceding Year 9 Months Ended 30/09/2008 RM'000
Revenue	5,564	7,122	15,344	20,776
Operating Expenses	(4,808)	(6,580)	(14,389)	(18,767)
Other operating income	-	-	-	-
Profit from operations	756	542	955	2,009
Finance cost	(103)	(130)	(275)	(418)
Depreciation and amortisation	(353)	(363)	(1,056)	(1,045)
Share of losses of associated company	-	-	(22)	(31)
Profit / (Loss) before taxation and minority interests (MI)	300	49	(398)	515
Taxation	1	-	5	4
Profit / (Loss) after taxation before MI	301	49	(393)	519
Minority interests	-	-	-	-
Net profit / (loss) for the period attributable to members of the company	301	49	(393)	519
Earnings per share (sen)				
- Basic	0.7	0.1	(0.9)	1.1
- Fully diluted	N/A	N/A	N/A	N/A

(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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	As At End of Current Quarter 30/09/2009 RM'000	As At Preceding Financial Year Ended 31/12/2008 RM'000
<b>ASSETS</b>		
Non-current Assets		
<i>Property, plant &amp; equipment</i>	24,981	25,456
<i>Prepaid land lease payments</i>	6,850	6,912
<i>Intangible assets</i>	152	213
<i>Investment property</i>	380	380
<i>Investment in associated company</i>	-	22
<i>Capital work-in-progress</i>	105	324
<i>Goodwill on consolidation</i>	136	136
	32,604	33,443
Current Assets		
<i>Inventories</i>	7,352	8,289
<i>Trade and other receivables</i>	7,251	7,643
<i>Cash at banks and in hand</i>	966	2,626
	15,569	18,558
<b>TOTAL ASSETS</b>	<b>48,173</b>	<b>52,001</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(8,572)	(8,179)
<b>Shareholders' Equity</b>	<b>36,810</b>	<b>37,203</b>
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	353	982
<i>Deferred Taxation</i>	603	608
	956	1,590
Current Liabilities		
<i>Trade and other payables</i>	2,503	7,273
<i>Overdraft and short term borrowings</i>	7,904	5,935
<i>Taxation</i>	-	-
	10,407	13,208
<b>TOTAL LIABILITIES</b>	<b>11,363</b>	<b>14,798</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48,173</b>	<b>52,001</b>
<b>Net Assets Per Share (RM)</b>	<b>0.81</b>	<b>0.82</b>

(The Condensed Consolidated Balance Sheet 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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Current Year 9 Months Ended 30/09/2009 RM'000</b>	<b>Preceding Year 9 Months Ended 30/09/2008 RM'000</b>
Cash Flows From Operating Activities		
(Loss) / Profit Before Tax But After Minority Interest	(398)	515
Adjustments For:-		
Non cash items	1,078	1,157
Non-operating items	275	418
	1,353	1,575
Operating Profit Before Working Capital Changes	955	2,090
Changes In Working Capital		
Net Change In Current Assets	1,329	4,410
Net Change In Current Liabilities	(4,770)	(2,287)
Cash (Used In) / Generated From Operations	(2,486)	4,213
Interest paid	(275)	(418)
Net Cash (Used In) / Generated From Operating Activities	(2,761)	3,795
Cash Flows From Investing Activities		
Deferred expenditure incurred	-	(234)
Capital Work-in-progress Incurred	(9)	(748)
Other investment	(229)	(479)
Net Cash Used In Investing Activities	(238)	(1,461)
Cash Flows From Financing Activities		
Bank borrowings	(640)	(1,759)
Dividend Paid	-	(227)
Income Tax Paid	-	(1)
Net Cash Used In Financing Activities	(640)	(1,987)
Net (Decrease) / Increase In Cash And Cash Equivalents	(3,639)	347
Cash And Cash Equivalents At Beginning Of The Financial Year	(37)	(2,058)
Cash And Cash Equivalents At End Of The Financial Quarter	(3,676)	(1,711)

(The Condensed Consolidated Cash Flow 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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

**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)
<b>Current Year 9 Months</b>						
<b>Ended 30/09/2009</b>						
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	-	-	-	-	(393)	(393)
Balance at end of the period	45,382	3,492	631	37	(12,732)	36,810
<b>Preceding Year 9 Months</b>						
<b>Ended 30/09/2008</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	-	-	-	-	519	519
- Final dividend paid for financial year ended 31 December 2007	-	-	-	-	(227)	(227)
Balance at end of the period	45,382	3,492	631	-	(12,509)	36,996

(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)

**CN ASIA CORPORATION BHD**  
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**Notes To The Quarterly Report For The Third Financial Quarter Ended 30 September 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
<b>Revenue</b>				
External revenue	15,344	-	-	15,344
Inter-segment revenue	196	45	(241)	-
Total revenue	<u>15,540</u>	<u>45</u>	<u>(241)</u>	<u>15,344</u>
<b>Results</b>				
Segment results	97	(137)	-	(40)
Unallocated expenses	-	-	-	(61)
Finance cost	(275)	-	-	(275)
Share of losses of associated company	-	-	-	(22)
Taxation	-	-	-	5
Loss attributable to members of the company				<u>(393)</u>

## Notes To The Quarterly Report For The Third Financial Quarter Ended 30 September 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
<b>Other information</b>				
Segment assets	45,207	2,615	-	47,822
Unallocated assets	-	-	-	288
Tax assets	36	27	-	63
Consolidated total assets				<u>48,173</u>
Segment liabilities	2,495	8	-	2,503
Interest bearing liabilities	8,257	-	-	8,257
Deferred taxation liabilities	-	603	-	603
Consolidated total liabilities				<u>11,363</u>
Capital expenditure	229	-	-	229
Depreciation and amortisation	<u>1,033</u>	<u>23</u>	<u>-</u>	<u>1,056</u>

(ii) By Geographical

	Malaysia RM'000	The People's Republic of China RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
External revenue	15,344	-	-	15,344
Inter-segment revenue	<u>45</u>	<u>196</u>	<u>(241)</u>	<u>-</u>
Total revenue	<u>15,389</u>	<u>196</u>	<u>(241)</u>	<u>15,344</u>
<b>Results</b>				
Segment results	253	(293)	-	(40)
Unallocated expenses	-	-	-	(61)
Finance cost	(275)	-	-	(275)
Share of losses of associated company	-	-	-	(22)
Taxation	-	-	-	5
Loss attributable to members of the company				<u>(393)</u>
<b>Other information</b>				
Segment assets	46,923	899	-	47,822
Unallocated assets	-	-	-	288
Tax assets	63	-	-	63
Consolidated total assets				<u>48,173</u>
Segment liabilities	2,502	1	-	2,503
Interest bearing liabilities	8,257	-	-	8,257
Deferred taxation liabilities	603	-	-	603
Consolidated total liabilities				<u>11,363</u>
Capital expenditure	229	-	-	229
Depreciation and amortisation	<u>1,032</u>	<u>24</u>	<u>-</u>	<u>1,056</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 Third Financial Quarter Ended 30 September 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

	<b>Period Ended 30.09.2009 RM'000</b>	<b>Year Ended 31.12.2008 RM'000</b>
Contingent liabilities		
- In respect of corporate guarantee for credit facilities granted to a subsidiary company	<u>8,796</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 increased from RM49K to RM300K despite of a decrease in turnover by 22% over the preceding corresponding quarter. This was mainly due to a 35% price reduction in steel material over the period.

However, for the current financial year-to-date, the Group reported a loss before taxation of RM398K as compared to a profit before taxation of RM515K in the preceding corresponding financial year-to-date as a result of 26% reduction in turnover over these periods which was mainly contributed by the economic slowdown during the financial year-to-date.

2. Variation Of Results Against Preceding Quarter

There has been no significant fluctuation in the turnover and profit before taxation for the current quarter as compared to the preceding quarter.

3. Current Year Prospects

Despite the cost control measures being undertaken by the Company, the Directors are of the view that the global financial crisis will affect 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 30/09/2009 RM'000	Current Financial Year-To-Date 30/09/2009 RM'000
The taxation is in respect of:-		
Transferred from deferred taxation	<u>1</u>	<u>5</u>
	<u>1</u>	<u>5</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 Third Financial Quarter Ended 30 September 2009 (cont'd)*9. Group Borrowings

<b>(i) Short Term</b>	<b>RM'000</b>
<u>SECURED</u>	
Hire Purchase	790
Bank Overdrafts	4,567
Bankers Acceptance	2,472
	<hr/> 7,829
<u>UNSECURED</u>	
Bank Overdrafts	75
Total Short Term Borrowings	<hr/> 7,904
<b>(ii) Long Term</b>	
<u>SECURED</u>	
Hire Purchase	353
<b>TOTAL GROUP BORROWINGS</b>	<hr/> <hr/> <b>8,257</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

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

	<b>Current Financial Quarter 30/09/2009 RM'000</b>	<b>Preceding Financial Quarter 30/09/2008 RM'000</b>	<b>Current Financial Year-To-Date 30/09/2009 RM'000</b>	<b>Preceding Financial Year-To-Date 30/09/2008 RM'000</b>
Net profit / (loss) for the period attributable to members of the company	301	49	(393)	519
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic earnings per share (sen)	<hr/> <hr/> 0.7	<hr/> <hr/> 0.1	<hr/> <hr/> (0.9)	<hr/> <hr/> 1.1

BY ORDER OF THE BOARD

KOH MUI TEE  
Company Secretary  
Selangor, 12 November 2009