

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 2009**

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CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2009 RM'000	Preceding Year Quarter Ended 31/12/2008 RM'000	Current Financial Year Ended 31/12/2009 RM'000	Preceding Financial Year Ended 31/12/2008 RM'000
Revenue	6,453	7,905	21,797	28,681
Operating Expenses	(5,808)	(7,348)	(20,197)	(26,115)
Other operating income	306	274	306	274
Profit from operations	<u>951</u>	<u>831</u>	<u>1,906</u>	<u>2,840</u>
Finance cost	(103)	(106)	(378)	(524)
Depreciation and amortisation	(357)	(362)	(1,413)	(1,407)
Litigation settlement	-	(217)	-	(217)
Share of profits/(losses) of associated company	-	22	(22)	(9)
Profit before taxation and minority interests (MI)	<u>491</u>	<u>168</u>	<u>93</u>	<u>683</u>
Taxation	2	2	7	6
Profit after taxation before MI	<u>493</u>	<u>170</u>	<u>100</u>	<u>689</u>
Minority interests	-	-	-	-
Net profit for the period attributable to members of the company	<u>493</u>	<u>170</u>	<u>100</u>	<u>689</u>
Earnings per share (sen)				
- Basic	<u>1.1</u>	<u>0.4</u>	<u>0.2</u>	<u>1.5</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
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CONDENSED CONSOLIDATED BALANCE SHEET

	As At End of Current Quarter 31/12/2009 RM'000	As At Preceding Financial Year Ended 31/12/2008 RM'000
ASSETS		
Non-current Assets		
<i>Property, plant & equipment</i>	24,667	25,456
<i>Prepaid land lease payments</i>	6,829	6,912
<i>Intangible assets</i>	131	213
<i>Investment property</i>	380	380
<i>Investment in associated company</i>	-	22
<i>Capital work-in-progress</i>	225	324
<i>Goodwill on consolidation</i>	136	136
	32,368	33,443
Current Assets		
<i>Inventories</i>	5,186	8,289
<i>Amount due from customer for contract work</i>	2,784	-
<i>Trade and other receivables</i>	3,574	7,643
<i>Short term deposit with licensed bank</i>	200	-
<i>Cash at banks and in hand</i>	2,498	2,626
	14,242	18,558
TOTAL ASSETS	46,610	52,001
EQUITY AND LIABILITIES		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(8,079)	(8,179)
Shareholders' Equity	37,303	37,203
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	344	982
<i>Deferred Taxation</i>	601	608
	945	1,590
Current Liabilities		
<i>Trade and other payables</i>	2,489	7,273
<i>Overdraft and short term borrowings</i>	5,873	5,935
<i>Taxation</i>	-	-
	8,362	13,208
TOTAL LIABILITIES	9,307	14,798
TOTAL EQUITY AND LIABILITIES	46,610	52,001
Net Assets Per Share (RM)	0.82	0.82

(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 Financial Year Ended 31/12/2009 RM'000	Preceding Financial Year Ended 31/12/2008 RM'000
Cash Flows From Operating Activities		
Profit Before Tax But After Minority Interest	93	683
Adjustments For:-		
Non cash items	1,247	1,433
Non-operating items	272	534
	<u>1,519</u>	<u>1,967</u>
Operating Profit Before Working Capital Changes	<u>1,612</u>	<u>2,650</u>
Changes In Working Capital		
Net Change In Current Assets	4,621	4,383
Net Change In Current Liabilities	(4,781)	(784)
Cash Generated From Operations	<u>1,452</u>	<u>6,249</u>
Interest paid	(378)	(524)
Interest received	128	-
Income Tax Paid	-	(1)
Net Cash Generated From Operating Activities	<u>1,202</u>	<u>5,724</u>
Cash Flows From Investing Activities		
Deferred expenditure incurred	-	(187)
Capital Work-in-progress Incurred	(129)	(231)
Capital Work-in-progress Recovered	-	345
Other investment	(241)	(554)
Net Cash Used In Investing Activities	<u>(370)</u>	<u>(627)</u>
Cash Flows From Financing Activities		
Placement of pledged fixed deposits	(200)	-
Advance to associated company	(60)	-
Bank borrowings	(1,565)	(2,848)
Dividend Paid	-	(227)
Net Cash Used In Financing Activities	<u>(1,825)</u>	<u>(3,075)</u>
Net (Decrease) / Increase In Cash And Cash Equivalents	(993)	2,022
Cash And Cash Equivalents At Beginning Of The Financial Year	(36)	(2,058)
Cash And Cash Equivalents At End Of The Financial Quarter	<u>(1,029)</u>	<u>(36)</u>

(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 Financial Year						
Ended 31/12/2009						
Balance at beginning of the year	45,382	3,492	631	37	(12,339)	37,203
Movement during the year (cumulative)						
- Profit for the year	-	-	-	-	100	100
Balance at end of the year	45,382	3,492	631	37	(12,239)	37,303
Preceding Financial Year						
Ended 31/12/2008						
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

(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 Fourth Financial Quarter Ended 31 December 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	21,797	-	-	21,797
Inter-segment revenue	196	60	(256)	-
Total revenue	<u>21,993</u>	<u>60</u>	<u>(256)</u>	<u>21,797</u>
Results				
Segment results	752	(178)	-	574
Unallocated expenses	-	-	-	(82)
Finance cost	(377)	-	-	(377)
Share of losses of associated company	-	-	-	(22)
Taxation	-	-	-	7
Profit attributable to members of the company				<u>100</u>

Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 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	43,671	2,610	-	46,281
Unallocated assets	-	-	-	267
Tax assets	36	26	-	62
Consolidated total assets				<u>46,610</u>
Segment liabilities	2,476	13	-	2,489
Interest bearing liabilities	6,217	-	-	6,217
Deferred taxation liabilities	-	601	-	601
Consolidated total liabilities				<u>9,307</u>
Capital expenditure	241	-	-	241
Depreciation and amortisation	<u>1,381</u>	<u>32</u>	<u>-</u>	<u>1,413</u>

(ii) By Geographical

	Malaysia RM'000	The People's Republic of China RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	21,797	-	-	21,797
Inter-segment revenue	<u>60</u>	<u>196</u>	<u>(256)</u>	<u>-</u>
Total revenue	<u>21,857</u>	<u>196</u>	<u>(256)</u>	<u>21,797</u>
Results				
Segment results	881	(307)	-	574
Unallocated expenses	-	-	-	(82)
Finance cost	(377)	-	-	(377)
Share of losses of associated company	-	-	-	(22)
Taxation	-	-	-	7
Profit attributable to members of the company				<u>100</u>
Other information				
Segment assets	45,395	886	-	46,281
Unallocated assets	-	-	-	267
Tax assets	62	-	-	62
Consolidated total assets				<u>46,610</u>
Segment liabilities	2,488	1	-	2,489
Interest bearing liabilities	6,217	-	-	6,217
Deferred taxation liabilities	601	-	-	601
Consolidated total liabilities				<u>9,307</u>
Capital expenditure	241	-	-	241
Depreciation and amortisation	<u>1,381</u>	<u>32</u>	<u>-</u>	<u>1,413</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 Fourth Financial Quarter Ended 31 December 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

	Year Ended 31.12.2009 RM'000	Year Ended 31.12.2008 RM'000
Contingent liabilities		
- In respect of corporate guarantee for credit facilities granted to a subsidiary company	8,870	8,104
Contingent assets		
- In respect of deferred tax benefit not provided for	10,729	5,770

B Explanatory Notes Required By Bursa Malaysia Securities Listing Requirements1. Review Of Performance Of The Group

During the quarter under review, the profit of the Group has increased from RM168K to RM491K despite an 18% decrease in revenue as compared to the preceding corresponding quarter. The increase in profit during the current quarter was mainly due to non provision of litigation settlement as the litigation was settled and provided for in the previous year corresponding quarter.

However, the profit of the Group for the current financial year-to-date has reduced from RM683K to RM93K as a result of a 24% reduction in revenue over the preceding corresponding financial year-to-date.

2. Variation Of Results Against Preceding Quarter

The Group's profit before taxation for the quarter has increased from RM300K to RM491K over the preceding quarter due to a 16% increase in total revenue and a further reduction in steel material pricing during the 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 31/12/2009 RM'000	Current Financial Year-To-Date 31/12/2009 RM'000
The taxation is in respect of:-		
Transferred from deferred taxation	2	7
	<u>2</u>	<u>7</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 Fourth Financial Quarter Ended 31 December 2009 (cont'd)*9. Group Borrowings

(i) Short Term	RM'000
<u>SECURED</u>	
Hire Purchase	638
Bank Overdrafts	3,425
Bankers Acceptance	1,708
	<hr/> 5,771
<u>UNSECURED</u>	
Bank Overdrafts	102
Total Short Term Borrowings	<hr/> 5,873
 (ii) Long Term	
<u>SECURED</u>	
Hire Purchase	344
TOTAL GROUP BORROWINGS	<hr/> <hr/> 6,217

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 31/12/2009 RM'000	Preceding Financial Quarter 31/12/2008 RM'000	Current Financial Year-To-Date 31/12/2009 RM'000	Preceding Financial Year-To-Date 31/12/2008 RM'000
Net profit for the period attributable to members of the company	493	170	100	689
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic earnings per share (sen)	<hr/> <hr/> 1.1	<hr/> <hr/> 0.4	<hr/> <hr/> 0.2	<hr/> <hr/> 1.5

BY ORDER OF THE BOARD

KOH MUI TEE

Company Secretary

Selangor, 23 February 2010