

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 2010**

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FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2010 RM'000	Preceding Year Quarter Ended 31/12/2009 RM'000	Current Financial Year Ended 31/12/2010 RM'000	Preceding Financial Year Ended 31/12/2009 RM'000
Revenue	3,736	6,453	14,624	21,797
Operating Expenses	(4,018)	(5,808)	(16,857)	(20,197)
Other operating income	1	306	5	306
(Loss) / Profit from operations	(281)	951	(2,228)	1,906
Finance cost	(121)	(103)	(446)	(378)
Depreciation and amortisation	(326)	(357)	(1,304)	(1,413)
Share of losses of associated company	-	-	-	(22)
(Loss) / Profit before taxation	(728)	491	(3,978)	93
Taxation	2	2	7	7
Net (loss) / profit after taxation for the period	(726)	493	(3,971)	100
Other comprehensive income / (expenses)				
Foreign exchange translation differences	(53)	-	(53)	-
Total comprehensive (loss) / profit for the period	(779)	493	(4,024)	100
Net (loss) / profit for the period attributable to:-				
Equity holders of the Company	(726)	493	(3,971)	100
Minority interests	-	-	-	-
	(726)	493	(3,971)	100
Total comprehensive (loss) / profit for the period attributable to:-				
Equity holders of the Company	(779)	493	(4,024)	100
Minority interests	-	-	-	-
	(779)	493	(4,024)	100
Earnings per share (sen)				
- Basic	(1.7)	1.1	(8.9)	0.2
- Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2009)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End of Current Quarter 31/12/2010 RM'000	As At Preceding Financial Year Ended 31/12/2009 RM'000
ASSETS		
Non-current Assets		
<i>Property, plant & equipment</i>	30,475	31,496
<i>Intangible assets</i>	94	131
<i>Investment property</i>	380	380
<i>Capital work-in-progress</i>	130	225
<i>Goodwill on consolidation</i>	136	136
	31,215	32,368
Current Assets		
<i>Inventories</i>	5,686	5,186
<i>Amount due from customer for contract work</i>	1,337	2,784
<i>Trade and other receivables</i>	3,358	3,574
<i>Short term deposit with licensed bank</i>	205	200
<i>Cash at banks and in hand</i>	1,675	2,498
	12,261	14,242
TOTAL ASSETS	43,476	46,610
EQUITY AND LIABILITIES		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(12,103)	(8,079)
Shareholders' Equity	33,279	37,303
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	213	344
<i>Deferred Taxation</i>	594	601
	807	945
Current Liabilities		
<i>Trade and other payables</i>	3,007	2,489
<i>Overdraft and short term borrowings</i>	6,383	5,873
<i>Taxation</i>	-	-
	9,390	8,362
TOTAL LIABILITIES	10,197	9,307
TOTAL EQUITY AND LIABILITIES	43,476	46,610
Net Assets Per Share (RM)	0.73	0.82

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Financial Year Ended 31/12/2010 RM'000	Preceding Financial Year Ended 31/12/2009 RM'000
Cash Flows From Operating Activities		
(Loss) / Profit Before Tax But After Minority Interest	(3,978)	93
Adjustments For:-		
Non cash items	1,502	1,247
Non-operating items	441	272
	1,943	1,519
Operating (Loss) / Profit Before Working Capital Changes	(2,035)	1,612
Changes In Working Capital		
Net Change In Current Assets	982	4,621
Net Change In Current Liabilities	528	(4,781)
Cash (Absorbed In) / Generated From Operations	(525)	1,452
Interest paid	(446)	(378)
Interest received	5	128
Net Cash (Used In) / Provided By Operating Activities	(966)	1,202
Cash Flows From Investing Activities		
Capital Work-in-progress Incurred	-	(129)
Other investment	(177)	(241)
Net Cash Used In Investing Activities	(177)	(370)
Cash Flows From Financing Activities		
Placement of pledged fixed deposits	(5)	(200)
Advance to associated company	8	(60)
Bank borrowings	(758)	(1,565)
Net Cash Used In Financing Activities	(755)	(1,825)
Net Decrease In Cash And Cash Equivalents	(1,898)	(993)
Effects of Exchange Rate Changes	(62)	-
Cash And Cash Equivalents At Beginning Of The Financial Year	(1,029)	(36)
Cash And Cash Equivalents At End Of The Financial Quarter	(2,989)	(1,029)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010

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 31/12/2010						
Balance at beginning of the year	45,382	3,492	631	37	(12,239)	37,303
Movement during the year (cumulative)						
- Loss for the year	-	-	-	-	(3,971)	(3,971)
Other comprehensive expenses						
- Foreign exchange translation differences	-	-	-	(53)	-	(53)
	-	-	-	(53)	(3,971)	(4,024)
Balance at end of the year	45,382	3,492	631	(16)	(16,210)	33,279
Preceding 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
Other comprehensive expenses	-	-	-	-	-	-
	-	-	-	-	100	100
Balance at end of the year	45,382	3,492	631	37	(12,239)	37,303

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

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Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2010

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 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2009. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which were effective for financial periods beginning 1 January 2010:-

Revised FRSs, IC Interpretations and Amendments	
FRS 4	: Insurance Contracts
FRS 7	: Financial Instruments: Disclosure
FRS 101	: Presentation of Financial Statements (revised)
FRS 123	: Borrowing Cost (revised)
FRS 139	: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 2	: Share-based Payments: Vesting Conditions and Cancellations
Amendments to FRS 5	: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 8	: Operating Segments
Amendments to FRS 107	: Cash Flow Statements
Amendments to FRS 108	: Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	: Events after the Reporting Period
Amendments to FRS 116	: Property, Plant and Equipment
Amendments to FRS 117	: Leases
Amendments to FRS 118	: Revenue
Amendments to FRS 119	: Employee Benefits
Amendments to FRS 120	: Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 123	: Borrowing Costs
Amendments to FRS 127	: Consolidated and Separate Financial Statements
Amendments to FRS 128	: Investment in Associates
Amendments to FRS 129	: Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	: Interests in Joint Ventures
Amendments to FRS 132	: Financial Instruments: Presentation
Amendments to FRS 134	: Interim Financial Reporting
Amendments to FRS 136	: Impairment of Assets
Amendments to FRS 138	: Intangible Assets
Amendments to FRS 139	: Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosure and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRS 140	: Investment Property
Amendments to FRSs 'Improvements to FRSs (2009)'	
IC Interpretation 9	: Reassessment of Embedded Derivatives
IC Interpretation 10	: Interim Financial Reporting and Impairment
IC Interpretation 11	: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	: Customer Loyalty Programmes
IC Interpretation 14	: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2010 (cont'd)

The adoption of the new and revised FRSS, IC Interpretations and Amendments are expected to have no significant effect on the financial statements of the Group and the Company except as disclosed below:-

FRS 7 Financial Instruments: Disclosure

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132 Financial Instruments: Disclosure and Presentation. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. Additional disclosures regarding fair value measurements are required in the year end financial statements.

FRS 101 Presentation of Financial Statements (revised)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consist of an income statement, a balance sheet, a cash flow, a statement of changes in equity and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial report presented consist of a statement of comprehensive income, a statement of financial position, a statement of cash flow, a statement of changes in equity and notes to the financial statements.

FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the date of balance sheet were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognized at contract dates when, and only when, the group becomes a party to the contractual provisions of the instruments. The recognition, de-recognition and measurement are applied prospectively and the comparative information are not restated. This standard does not have any material impact on the financial position and results of the Group.

Amendments to FRS 117 Leases

Amendments to FRS 117 remove the classification of leases of land and buildings, and instead, require assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. Therefore, the Group has reclassified the prepaid lease payments for land held in accordance with FRS 117. This amendment shall be presented on the statement of financial position as at the beginning of the earliest comparative period in accordance with FRS 101.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:-

Group 2009	Property, Plant and Equipment RM'000	Prepaid Land Lease Payments RM'000
As previously reported	24,667	6,829
Effects of adopting FRS 117	6,829	(6,829)
As restated	<u>31,496</u>	<u>-</u>

Standards and interpretations issued but not yet effective

At the date of authorization of these financial statements, the following new FRSS, Interpretations, Amendments to FRSS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:-

Revised FRSS, IC Interpretations and Amendments	Effective for financial periods beginning on or before
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations (revised)	1 July 2010
FRS 127 : Consolidated and Separate Financial Statements (amended)	1 July 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
IC Interpretation 12 : Service Concession Arrangements	1 July 2010
IC Interpretation 15 : Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 : Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendments to FRS 1)	1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011

The new FRSS, Interpretations, Amendments to FRSS and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2010 (cont'd)

(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.

However, due to the economic slowdown, the oil and gas major retail business has been adversely affected. Thus the Group's current year operations were not significantly affected by seasonal and cyclical factors as prior year.

(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	14,624	-	-	14,624
Inter-segment revenue	-	60	(60)	-
Total revenue	<u>14,624</u>	<u>60</u>	<u>(60)</u>	<u>14,624</u>
Results				
Segment results	(3,309)	(186)	-	(3,495)
Unallocated expenses	-	-	-	(37)
Finance cost	(446)	-	-	(446)
Taxation	-	-	-	7
Foreign exchange translation differences	-	-	-	<u>(53)</u>
Loss attributable to equity holders of the Company				<u>(4,024)</u>
Other information				
Segment assets	40,608	2,576	-	43,184
Unallocated assets	-	-	-	230
Tax assets	36	26	-	62
Consolidated total assets				<u>43,476</u>
Segment liabilities	2,994	13	-	3,007
Interest bearing liabilities	6,596	-	-	6,596
Deferred taxation liabilities	-	594	-	594
Consolidated total liabilities				<u>10,197</u>
Capital expenditure	272	-	-	272
Depreciation and amortisation	<u>1,272</u>	<u>32</u>	<u>-</u>	<u>1,304</u>

Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2010 (cont'd)

(h) Segmental Information (Cont'd)(ii) **By Geographical**

	Malaysia RM'000	The People's Republic of China RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	14,624	-	-	14,624
Inter-segment revenue	60	-	(60)	-
Total revenue	<u>14,684</u>	<u>-</u>	<u>(60)</u>	<u>14,624</u>
Results				
Segment results	(3,406)	(89)	-	(3,495)
Unallocated expenses	-	-	-	(37)
Finance cost	(446)	-	-	(446)
Taxation	-	-	-	7
Foreign exchange translation differences	-	-	-	(53)
Loss attributable to equity holders of the Company				<u>(4,024)</u>
Other information				
Segment assets	42,441	743	-	43,184
Unallocated assets	-	-	-	230
Tax assets	62	-	-	62
Consolidated total assets				<u>43,476</u>
Segment liabilities	3,006	1	-	3,007
Interest bearing liabilities	6,596	-	-	6,596
Deferred taxation liabilities	594	-	-	594
Consolidated total liabilities				<u>10,197</u>
Capital expenditure	272	-	-	272
Depreciation and amortisation	<u>1,277</u>	<u>27</u>	<u>-</u>	<u>1,304</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

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 31.12.2010 RM'000	Year Ended 31.12.2009 RM'000
Contingent liabilities		
- In respect of corporate guarantee for credit facilities granted to a subsidiary company	<u>7,671</u>	<u>8,870</u>
Contingent assets		
- In respect of deferred tax benefit not provided for	<u>11,528</u>	<u>10,729</u>

Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2010 (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 Group recorded a loss before taxation of RM728K as compared to a profit before taxation of RM491K over the preceding corresponding quarter as a result of a 42% reduction in turnover during the quarter coupled with weaker prices due to fierce competition.

As a result of dramatical reduce in turnover for the current financial year to-date, the Group has reported a loss before taxation of RM4.0 million as compared to a profit before taxation of RM100K for the preceding corresponding financial year-to-date. The reduction in turnover during the period was mainly contributed by global economic slowdown which strongly affect the Group's performance especially in the export markets.

2. Variation Of Results Against Preceding Quarter

The Group's loss before taxation for the quarter has reduced from RM967K to RM728K over the preceding quarter with a 13% increase in turnover over the preceding quarter.

3. Current Year Prospects

The Directors are of the view that the current financial year will be challenging to the Group due to fierce competition. In view of the scenario, the Board foresee that the global economic slowdown will continue to 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 31/12/2010 RM'000	Current Financial Year-To-Date 31/12/2010 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.

9. Group Borrowings

	RM'000
(i) Short Term	
<u>SECURED</u>	
Hire Purchase	131
Bank Overdrafts	4,495
Bankers Acceptance	1,402
	<u>6,028</u>
<u>UNSECURED</u>	
Bank Overdrafts	169
Bankers Acceptance	186
	<u>355</u>
Total Short Term Borrowings	<u>6,383</u>
(ii) Long Term	
<u>SECURED</u>	
Hire Purchase	213
TOTAL GROUP BORROWINGS	<u>6,596</u>

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

*Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2010 (cont'd)*10. Financial Instruments

As a result of adoption of FRS 139: Financial instruments: Recognition and Measurement, foreign currency forward contracts which were previously treated as off balance sheet financial instruments have now been recognised in the balance sheet as derivative instruments.

11. Material Litigation

There was no material litigation against the Group as at the date of this report.

12. Dividend

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

13. Earnings Per Share

	Current Financial Quarter 31/12/2010 RM'000	Preceding Financial Quarter 31/12/2009 RM'000	Current Financial Year-To-Date 31/12/2010 RM'000	Preceding Financial Year-To-Date 31/12/2009 RM'000
Net (loss) / profit for the period attributable to equity holders of the Company	(726)	493	(3,971)	100
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic earnings per share (sen)	<u>(1.6)</u>	<u>1.1</u>	<u>(8.8)</u>	<u>0.2</u>

14. Realised and Unrealised Accumulated Losses

	As at Quarter Ended 31.12.2010 RM'000
Accumulated losses	
- Realised	(16,004)
- Unrealised	(206)
	<u>(16,210)</u>

BY ORDER OF THE BOARD

LIM PAIK GOOT
KOH MUI TEE
Company Secretaries
Selangor, 22 February 2011