

**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 2011**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2011 RM'000	Preceding Year Quarter Ended 31/12/2010 RM'000	Current Financial Year Ended 31/12/2011 RM'000	Preceding Financial Year Ended 31/12/2010 RM'000
Revenue	4,193	3,736	13,559	14,624
Operating Expenses	(3,766)	(4,018)	(15,593)	(16,857)
Other operating income	6	1	6	5
Profit / (Loss) from operations	433	(281)	(2,028)	(2,228)
Finance cost	(139)	(121)	(496)	(446)
Depreciation and amortisation	(308)	(326)	(1,230)	(1,304)
Share of profits / (losses) of associated company	11	-	(21)	-
Loss before taxation	(3)	(728)	(3,775)	(3,978)
Taxation	2	2	7	7
Net loss after taxation for the period	(1)	(726)	(3,768)	(3,971)
Other comprehensive income / (expenses)				
Foreign exchange translation differences	48	(53)	48	(53)
Total comprehensive profit / (loss) for the period	47	(779)	(3,720)	(4,024)
Net loss for the period attributable to:-				
Equity holders of the Company	(1)	(726)	(3,768)	(3,971)
Minority interests	-	-	-	-
	(1)	(726)	(3,768)	(3,971)
Total comprehensive profit / (loss) for the period attributable to:-				
Equity holders of the Company	47	(779)	(3,720)	(4,024)
Minority interests	-	-	-	-
	47	(779)	(3,720)	(4,024)
Earnings per share (sen)				
- Basic	(0.0)	(1.6)	(8.3)	(8.8)
- 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 2010)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At End of Current Quarter 31/12/2011 RM'000</b>	<b>As At Preceding Financial Year Ended 31/12/2010 RM'000</b>
<b>ASSETS</b>		
Non-current Assets		
<i>Property, plant &amp; equipment</i>	29,812	30,475
<i>Intangible assets</i>	56	94
<i>Investment property</i>	380	380
<i>Interest in associated company</i>	28	-
<i>Capital work-in-progress</i>	130	130
<i>Goodwill on consolidation</i>	77	136
	30,483	31,215
Current Assets		
<i>Inventories</i>	3,034	5,686
<i>Amount due from customer for contract work</i>	293	1,337
<i>Trade and other receivables</i>	6,017	3,296
<i>Tax recoverable</i>	62	62
<i>Fixed deposit with licensed bank</i>	211	205
<i>Cash at banks and in hand</i>	828	1,675
	10,445	12,261
<b>TOTAL ASSETS</b>	<b>40,928</b>	<b>43,476</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(15,823)	(12,103)
Shareholders' Equity	29,559	33,279
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	87	213
<i>Deferred Taxation</i>	586	594
	673	807
Current Liabilities		
<i>Trade and other payables</i>	2,392	3,007
<i>Overdraft and short term borrowings</i>	8,304	6,383
<i>Taxation</i>	-	-
	10,696	9,390
<b>TOTAL LIABILITIES</b>	<b>11,369</b>	<b>10,197</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,928</b>	<b>43,476</b>
Net Assets Per Share (RM)	0.65	0.73

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Current Financial Year Ended 31/12/2011 RM'000</b>	<b>Preceding Financial Year Ended 31/12/2010 RM'000</b>
Cash Flows From Operating Activities		
Loss Before Tax But After Minority Interest	(3,775)	(3,978)
Adjustments For:-		
Amortisation of intangible assets	37	37
Depreciation of property, plant and equipment	1,193	1,267
Goonwill on consolidation written off	59	-
Property, plant and equipment written off	14	7
Interest expenses	496	446
Interest income	(6)	(5)
Write down of inventories	19	19
(Gain) / Loss on foreign exchange - Unrealised	(107)	195
Share of results of associated company	21	-
Translation adjustment	18	(22)
	1,744	1,944
Operating Loss Before Working Capital Changes	(2,031)	(2,034)
Changes In Working Capital		
Net Decrease / (Increase) In Inventories	2,227	(530)
Net Decrease / (Increase) In Amount Due For Contract Work	1,044	1,447
Net Decrease / (Increase) In Trade and Other Receivables	(2,693)	69
Net (Decrease) / Increase In Trade and Other Payables	(665)	524
Cash Absorbed In Operations	(2,118)	(524)
Interest paid	(496)	(446)
Interest received	6	5
Net Cash Used In Operating Activities	(2,608)	(965)
Cash Flows From Investing Activities		
Placement of pledged fixed deposits	(6)	(5)
Purchase of additional investment in associated company	(49)	-
Purchase of property, plant and equipment	(107)	(177)
Net Cash Used In Investing Activities	(162)	(182)
Cash Flows From Financing Activities		
Repayment from associated company	101	8
Net proceeds / (repayment) from bank borrowings	1,144	(758)
Net Cash Provided By / (Used In) Financing Activities	1,245	(750)
Net Decrease In Cash And Cash Equivalents	(1,525)	(1,897)
Effects of Exchange Rate Changes	27	(62)
Cash And Cash Equivalents At Beginning Of The Financial Year	(2,989)	(1,029)
Cash And Cash Equivalents At End Of The Financial Year	(4,487)	(2,988)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

**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 Financial Year</b>						
<b><u>Ended 31/12/2011</u></b>						
Balance at beginning of the year	45,382	3,492	631	(16)	(16,210)	33,279
Movement during the year (cumulative)						
- Loss for the period	-	-	-	-	(3,768)	(3,768)
Other comprehensive expenses						
- Foreign exchange translation differences	-	-	-	48	-	48
	-	-	-	48	(3,768)	(3,720)
Balance at end of the year	45,382	3,492	631	32	(19,978)	29,559
<b>Preceding Financial Year</b>						
<b><u>Ended 31/12/2010</u></b>						
Balance at beginning of the year	45,382	3,492	631	37	(12,239)	37,303
Movement during the year (cumulative)						
- Loss for the period	-	-	-	-	(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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

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

**Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2011**

**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 2010. 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 2010 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 July 2010 and 1 January 2011:-

Revised FRSs, IC Interpretations and Amendments		Effective for financial periods beginning on or
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
IC Interpretation 4	: Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	: Transfers of Assets from Customers	1 January 2011
Amendments to FRS 1	: First-time Adoption of Financial Reporting Standard - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	: Group Cash-settled Share Based Payment Transactions	1 January 2011
Amendments to FRS 7	: Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments	1 January 2011
Improvements to FRSs (2010)		1 January 2011

The adoption of the new and revised FRSs, Interpretations, Amendments to FRSs and Interpretations above are expected to have no significant effect on the financial statements of the Group and the Company.

(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 incidents.

(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.

## Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2011 (cont'd)

## (h) Segmental Information

## (i) By Activities

	Manufacturing and marketing of tanks, engineering and fabrication works RM'000	Repairing and renting of transportable containers for hazardous chemicals RM'000	Investment holdings and others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
External revenue	13,559	-	-	-	13,559
Inter-segment revenue	-	-	60	(60)	-
Total revenue	<u>13,559</u>	<u>-</u>	<u>60</u>	<u>(60)</u>	<u>13,559</u>
<b>Results</b>					
Segment results	(2,849)	(129)	(243)	-	(3,221)
Unallocated expenses	-	-	-	-	(37)
Finance cost	(496)	-	-	-	(496)
Foreign exchange translation difference	-	-	-	-	48
Share of losses of associated company	-	-	-	-	(21)
Taxation	-	-	-	-	7
Loss attributable to equity holders of the Company					<u>(3,720)</u>
<b>Other information</b>					
Segment assets	36,855	1,279	2,540	-	40,674
Unallocated assets	-	-	-	-	192
Tax assets	36	-	26	-	62
Consolidated total assets					<u>40,928</u>
Segment liabilities	2,372	6	14	-	2,392
Interest bearing liabilities	8,391	-	-	-	8,391
Deferred taxation liabilities	-	-	586	-	586
Consolidated total liabilities					<u>11,369</u>
Capital expenditure	107	-	-	-	107
Depreciation and amortisation	<u>1,198</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>1,230</u>

## (ii) By Geographical

	Malaysia RM'000	The People's Republic of China RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>				
External revenue	13,559	-	-	13,559
Inter-segment revenue	60	-	(60)	-
Total revenue	<u>13,619</u>	<u>-</u>	<u>(60)</u>	<u>13,559</u>
<b>Results</b>				
Segment results	(3,165)	(56)	-	(3,221)
Unallocated expenses	-	-	-	(37)
Finance cost	(496)	-	-	(496)
Foreign exchange translation difference	-	-	-	48
Share of losses of associated company	-	-	-	(21)
Taxation	-	-	-	7
Loss attributable to equity holders of the Company				<u>(3,720)</u>
<b>Other information</b>				
Segment assets	40,070	604	-	40,674
Unallocated assets	-	-	-	192
Tax assets	62	-	-	62
Consolidated total assets				<u>40,928</u>
Segment liabilities	2,392	-	-	2,392
Interest bearing liabilities	8,391	-	-	8,391
Deferred taxation liabilities	586	-	-	586
Consolidated total liabilities				<u>11,369</u>
Capital expenditure	107	-	-	107
Depreciation and amortisation	<u>1,206</u>	<u>24</u>	<u>-</u>	<u>1,230</u>

*Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2011 (cont'd)*

(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

	<b>Year Ended 31.12.2011 RM'000</b>	<b>Year Ended 31.12.2010 RM'000</b>
In respect of corporate guarantee for credit facilities granted to a subsidiary company	<u>7,868</u>	<u>7,671</u>

(m) Significant Related Party Transactions

The Group has the following significant transaction with related parties during the financial year:-

<u>Company</u>	<u>Relationship</u>	<b>Current Financial Quarter 31/12/2011 RM'000</b>	<b>Preceding Financial Quarter 31/12/2010 RM'000</b>	<b>Current Financial Year-To-Date 31/12/2011 RM'000</b>	<b>Preceding Financial Year-To-Date 31/12/2010 RM'000</b>
Crystal Bond Sdn Bhd	A company in which a director, Mr Ho Cheng San, is also a director and has substantial financial interest				
Marvellous Production Sdn Bhd	A company in which Mdm. Hoo Shet Wan, the sister of a director, Mr Ho Cheng San, has substantial financial interest				
Rental of premises paid to					
- Crystal Bond Sdn Bhd		24	24	96	96
- Marvellous Production Sdn Bhd		<u>84</u>	<u>84</u>	<u>336</u>	<u>336</u>

**B Explanatory Notes Required By Bursa Malaysia Securities Main Market Listing Requirements**

1. Review Of Performance Of The Group

During the quarter under review, the Group recorded a marginal loss before taxation of RM3,000 as compared to a loss before taxation of RM728K over the preceding corresponding quarter. This was mainly due to 70% increase in revenue from storage tanks and rolling and dishing services during the quarter which have a relatively higher margin than the other products. However, the total revenue only increased by 12% as compared to the preceding corresponding quarter.

Likewise, the loss before taxation for the Group for the current financial year to-date reduced by 5% as compared to the preceding corresponding financial year-to-date despite a 7% reduction in revenue over the period was also due to increase in revenue from storage tanks and rolling and dishing services by 55% over the preceding financial year-to-date.

2. Variation Of Results Against Preceding Quarter

The Group reported a loss before taxation of RM3,000 for the quarter as compared to a loss before taxation of RM801K over the preceding quarter. This was mainly due to a 75% increased in the higher margin revenue stream achieved during the quarter, despite a 6% reduction in the total revenue generated during the quarter against to 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.



*Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2011 (cont'd)*

5. Profit Before Taxation

Profit before taxation is derived after taking into consideration of the following:

	<b>Current Financial Quarter 31/12/2011 RM'000</b>	<b>Preceding Financial Quarter 31/12/2010 RM'000</b>	<b>Current Financial Year-To-Date 31/12/2011 RM'000</b>	<b>Preceding Financial Year-To-Date 31/12/2010 RM'000</b>
Amortisation of intangible assets	9	9	37	37
Depreciation of property, plant and equipment	299	317	1,193	1,267
Goonwill on consolidation written off	59	-	59	-
Property, plant and equipment written off	14	7	14	7
Interest expenses	139	121	496	496
Interest income	6	1	6	5
Write down of inventories	5	5	19	19
(Gain) / Loss on foreign exchange				
- Unrealised	(67)	195	(107)	195
- Realised	(148)	52	3	285
	<u>(148)</u>	<u>52</u>	<u>3</u>	<u>285</u>

6. Taxation

	<b>Current Financial Quarter 31/12/2011 RM'000</b>	<b>Current Financial Year-To-Date 31/12/2011 RM'000</b>
The taxation is in respect of:-		
Transferred from deferred taxation	<u>2</u>	<u>7</u>
	<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.

7. Corporate Proposal Status

There was no corporate proposal announced and not completed at the date of this report.

8. Group Borrowings

	<b>RM'000</b>
<b>(i) Short Term</b>	
<u>SECURED</u>	
Hire Purchase	126
Bank Overdrafts	5,135
Bankers Acceptance	<u>2,640</u>
	7,901
<u>UNSECURED</u>	
Bank Overdrafts	180
Bankers Acceptance	<u>223</u>
	403
Total Short Term Borrowings	<u>8,304</u>
<b>(ii) Long Term</b>	
<u>SECURED</u>	
Hire Purchase	87
TOTAL GROUP BORROWINGS	<u>8,391</u>

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

9. Derivative Financial Instruments

There was no outstanding derivative financial instruments as at the current financial year-to-date.

10. Material Litigation

There was no material litigation against the Group since the date of the last amend statement of financial position.

11. Dividend

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

*Notes To The Quarterly Report For The Fourth Financial Quarter Ended 31 December 2011 (cont'd)*12. Earnings Per Share

	<b>Current Financial Quarter 31/12/2011 RM'000</b>	<b>Preceding Financial Quarter 31/12/2010 RM'000</b>	<b>Current Financial Year-To-Date 31/12/2011 RM'000</b>	<b>Preceding Financial Year-To-Date 31/12/2010 RM'000</b>
Net loss after taxation for the period	(1)	(726)	(3,768)	(3,971)
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic earnings per share (sen)	<u>(0.0)</u>	<u>(1.6)</u>	<u>(8.3)</u>	<u>(8.8)</u>

13. Realised and Unrealised Accumulated Losses

	<b>As at Quarter Ended 31.12.2011 RM'000</b>
Accumulated losses	
- Realised	(20,043)
- Unrealised	124
	<u>(19,919)</u>

BY ORDER OF THE BOARD

LIM PAIK GOOT  
 KOH MUI TEE  
 Company Secretaries  
 Selangor, 22 February 2012