

**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 2013**

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2013 RM'000	Preceding Year Quarter Ended 30/09/2012 RM'000	Current Financial 9 Months Ended 30/09/2013 RM'000	Preceding Financial 9 Months Ended 30/09/2012 RM'000
Revenue	6,148	5,895	13,626	14,036
Cost of sales	(4,024)	(4,618)	(12,670)	(12,758)
Gross profit	<u>2,124</u>	<u>1,277</u>	<u>956</u>	<u>1,278</u>
Selling & distribution	(29)	(39)	(87)	(89)
Administrative expenses	(709)	(654)	(2,113)	(1,912)
Other operating expenses	(21)	(26)	(25)	(154)
Other operating income	-	-	1	-
Profit / (Loss) from operations	<u>1,365</u>	<u>558</u>	<u>(1,268)</u>	<u>(877)</u>
Finance cost	(148)	(83)	(432)	(296)
Share of losses of associated company	(4)	-	(29)	(14)
Profit / (Loss) before taxation	<u>1,213</u>	<u>475</u>	<u>(1,729)</u>	<u>(1,187)</u>
Taxation	-	-	-	-
Net profit / (loss) after taxation for the period	<u>1,213</u>	<u>475</u>	<u>(1,729)</u>	<u>(1,187)</u>
Other comprehensive (expenses) / income	-	-	-	-
Total comprehensive profit / (loss) for the period	<u>1,213</u>	<u>475</u>	<u>(1,729)</u>	<u>(1,187)</u>
Net profit / (loss) for the period attributable to:-				
Equity holders of the Company	1,213	475	(1,729)	(1,187)
Minority interests	-	-	-	-
	<u>1,213</u>	<u>475</u>	<u>(1,729)</u>	<u>(1,187)</u>
Total comprehensive profit / (loss) for the period attributable to:-				
Equity holders of the Company	1,213	475	(1,729)	(1,187)
Minority interests	-	-	-	-
	<u>1,213</u>	<u>475</u>	<u>(1,729)</u>	<u>(1,187)</u>
Profit / (Loss) per share (sen)				
- Basic	<u>2.7</u>	<u>1.0</u>	<u>(3.8)</u>	<u>(2.6)</u>
- Fully diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At End of Current Quarter 30/09/2013 RM'000	As At Preceding Financial Year Ended 31/12/2012 RM'000
<b>ASSETS</b>		
Non-current Assets		
<i>Property, plant &amp; equipment</i>	28,005	28,169
<i>Intangible assets</i>	-	18
<i>Investment property</i>	380	380
<i>Interest in associated company</i>	-	29
<i>Goodwill on consolidation</i>	77	77
	28,462	28,673
Current Assets		
<i>Inventories</i>	3,800	4,155
<i>Amount due from customer for contract work</i>	1,255	1,075
<i>Trade and other receivables</i>	6,536	3,547
<i>Amount owing by an associated company</i>	21	-
<i>Tax recoverable</i>	42	62
<i>Fixed deposit with licensed bank</i>	218	218
<i>Cash at banks and in hand</i>	525	1,014
	12,397	10,071
<b>TOTAL ASSETS</b>	40,859	38,744
<b>EQUITY AND LIABILITIES</b>		
Equity		
<i>Share capital</i>	45,382	45,382
<i>Reserves</i>	(18,770)	(17,047)
<b>Shareholders' Equity</b>	26,612	28,335
Liabilities		
Non-current Liabilities		
<i>Hire Purchase Payables</i>	438	49
	438	49
Current Liabilities		
<i>Trade and other payables</i>	2,760	2,465
<i>Amount owing to an associated company</i>	-	48
<i>Overdraft and short term borrowings</i>	11,049	7,847
<i>Taxation</i>	-	-
	13,809	10,360
<b>TOTAL LIABILITIES</b>	14,247	10,409
<b>TOTAL EQUITY AND LIABILITIES</b>	40,859	38,744
<b>Net Assets Per Share (RM)</b>	0.59	0.62

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>Current Financial 9 Months Ended 30/09/2013 RM'000</b>	<b>Preceding Financial 9 Months Ended 30/09/2012 RM'000</b>
Cash Flows From Operating Activities		
Loss Before Tax But After Minority Interest	(1,729)	(1,187)
Adjustments For:-		
Allowance for impairment of receivables	-	145
Amortisation of intangible assets	19	28
Depreciation of property, plant and equipment	822	907
Loss / (Gain) on foreign exchange - Unrealised	(1)	(65)
Interest expenses	432	288
Loss on disposal of property, plant and equipment	26	-
Share of losses of associated company	30	14
Translation adjustment	(27)	-
	<u>1,301</u>	<u>1,317</u>
Operating (Loss) / Profit Before Working Capital Changes	(428)	130
Changes In Working Capital		
Net Decrease / (Increase) In Inventories	355	(1,245)
Net (Increase) / Decrease In Amount Due For Contract Work	(180)	23
Net (Increase) / Decrease In Trade and Other Receivables	(2,966)	3,201
Net Increase In Trade and Other Payables	293	699
Cash (Absorbed In) / Generated From Operations	<u>(2,926)</u>	<u>2,808</u>
Interest paid	(432)	(288)
Interest received	-	-
Net Cash (Used In) / Provided By Operating Activities	<u>(3,358)</u>	<u>2,520</u>
Cash Flows From Investing Activities		
Capital Work-in-progress Incurred	-	(42)
Proceeds from disposal of property, plant & equipment	62	-
Purchase of property, plant and equipment	(717)	(80)
Net Cash Used In Investing Activities	<u>(655)</u>	<u>(122)</u>
Cash Flows From Financing Activities		
Net repayment to associated company	(69)	(34)
Net proceeds from / (repayment to) bank borrowings	2,228	(519)
Net Cash Provided By / (Used In) Financing Activities	<u>2,159</u>	<u>(553)</u>
Net (Decrease) / Increase In Cash And Cash Equivalents	(1,854)	1,845
Effects of Exchange Rate Changes	3	(1)
Cash And Cash Equivalents At Beginning Of The Financial Year	(3,384)	(4,487)
Cash And Cash Equivalents At End Of The Financial Quarter	<u>(5,235)</u>	<u>(2,643)</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

**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 30/09/2013</b>						
Balance at beginning of the period	45,382	3,492	-	8	(20,547)	28,335
Movement during the period (cumulative)						
- Loss for the period	-	-	-	-	(1,729)	(1,729)
Other comprehensive expenses	-	-	-	-	-	-
- Translation reserve	-	-	-	6	-	6
	-	-	-	6	(1,729)	(1,723)
Balance at end of the period	45,382	3,492	-	14	(22,276)	26,612
<b>Preceding Year 9 Months</b>						
<b>Ended 30/09/2012</b>						
Balance at 1 January 2011	45,382	3,492	631	(16)	(16,210)	33,279
Effect of transition to MFRS						
- Capital Reserve	-	-	(631)	-	631	-
- Deferred Taxation	-	-	-	-	593	593
	-	-	(631)	-	1,224	593
As restated	45,382	3,492	-	(16)	(14,986)	33,872
Total comprehensive expense	-	-	-	48	(4,006)	(3,958)
Balance at beginning of the period	45,382	3,492	-	32	(18,992)	29,914
Movement during the period (cumulative)						
- Loss for the period	-	-	-	-	(1,182)	(1,182)
- Effect of transition to MFRS	-	-	-	-	(5)	(5)
Other comprehensive expenses	-	-	-	-	(1,187)	(1,187)
	-	-	-	-	-	-
	-	-	-	-	(1,187)	(1,187)
Balance at end of the period	45,382	3,492	-	(16)	(20,179)	28,727

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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**Notes To The Quarterly Report For The Third Financial Quarter Ended 30 September 2013**

**PART A: Selected Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134**

**1. Basis of Preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group as at and for the year ended 31 December 2012. The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements of the Group for the financial year ended 31 December 2012.

The audited financial statements of the Group for the year ended 31 December 2012, which were prepared in accordance with MFRSs, are available upon request from the Company's registered office at Lot 7907, Batu 11, Jalan Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

***MFRSs, Amendments to MFRSs and Interpretations issued but not yet effective***

At the date of authorisation of these financial statements, the following MFRSs, Amendments to MFRSs and Interpretations were issued but not yet effective and have not been applied by the Company :

MFRS, Amendments to MFRS and Interpretations		Effective for financial period beginning on or after
MFRS 3	: Business Combinations	1 January 2013
MFRS 10	: Consolidated Financial Statements	1 January 2013
MFRS 11	: Joint Arrangements	1 January 2013
MFRS 12	: Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	: Fair Value Measurement	1 January 2013
MFRS 119	: Employee Benefits (revised)	1 January 2013
MFRS 127	: Consolidated and Separate Financial Statements (Revised)	1 January 2013
MFRS 128	: Investments in Associates and Joint Ventures (revised)	1 January 2013
Amendments to MFRS 7	: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10	: Consolidated Financial Statements : Transition Guidance	1 January 2013
Amendments to MFRS 11	: Joint Arrangements : Transition Guidance	1 January 2013
Amendments to MFRS 12	: Disclosure of Interest in Other Entities : Transition Guidance	1 January 2013
Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle		1 January 2013
Amendments to MFRS 101	: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 9	: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015

The management anticipate that the adoption of the above MRFSSs will not have significant impact on the financial position and financial performance of the Company.

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Company.

**2. Qualification Of Financial Statements**

There was no qualification on audit report of preceding annual financial statements.

**3. Seasonal And Cyclical Factors**

The business operations of the Group were not significantly affected by any seasonal and cyclical factors in the current quarter and financial year-to-date.

**4. 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.

**5. 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.

**6. Changes In Equity**

There were no issuances, cancellation, repurchase, resale and repayments of debts and equity securities for the current financial year-to-date.

**7. Dividend Paid**

There was no dividend paid during the financial year-to-date.

## Notes To The Quarterly Report For The Third Financial Quarter Ended 30 September 2013 (cont'd)

## 8. Segmental Information

## (a) 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	13,600	26	-	-	13,626
Inter-segment revenue	-	-	45	(45)	-
Total revenue	<u>13,600</u>	<u>26</u>	<u>45</u>	<u>(45)</u>	<u>13,626</u>
<b>Results</b>					
Segment results	(1,144)	15	(150)	-	(1,279)
Unallocated expenses	-	-	-	-	(19)
Finance cost	(432)	-	-	-	(432)
Share of losses of associated company	-	-	-	-	(29)
Foreign exchange translation difference	-	-	-	-	30
Taxation	-	-	-	-	-
Loss attributable to equity holders of the Company					<u>(1,729)</u>
<b>Other information</b>					
Segment assets	37,292	876	2,572	-	40,740
Unallocated assets	-	-	-	-	77
Tax assets	36	-	6	-	42
Investment in associated company	-	-	-	-	-
Consolidated total assets					<u>40,859</u>
Segment liabilities	2,750	4	6	-	2,760
Interest bearing liabilities	11,487	-	-	-	11,487
Deferred taxation liabilities	-	-	-	-	-
Consolidated total liabilities					<u>14,247</u>
Capital expenditure	717	-	-	-	717
Depreciation and amortisation	793	5	24	-	822
Amortisation of intangible assets	19	-	-	-	19

## (b) By Geographical

	Malaysia RM'000	The People's Republic of China RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>				
External revenue	13,626	-	-	13,626
Inter-segment revenue	45	-	(45)	-
Total revenue	<u>13,671</u>	<u>-</u>	<u>(45)</u>	<u>13,626</u>
<b>Results</b>				
Segment results	(1,232)	(47)	-	(1,279)
Unallocated expenses	-	-	-	(19)
Finance cost	(432)	-	-	(432)
Share of losses of associated company	-	-	-	(29)
Foreign exchange translation difference	-	-	-	30
Taxation	-	-	-	-
Loss attributable to equity holders of the Company				<u>(1,729)</u>
<b>Other information</b>				
Segment assets	40,166	574	-	40,740
Unallocated assets	-	-	-	77
Tax assets	42	-	-	42
Investment in associated company	-	-	-	-
Consolidated total assets				<u>40,859</u>
Segment liabilities	2,747	13	-	2,760
Interest bearing liabilities	11,487	-	-	11,487
Deferred taxation liabilities	-	-	-	-
Consolidated total liabilities				<u>14,247</u>
Capital expenditure	717	-	-	717
Depreciation and amortisation	800	22	-	822
Amortisation of intangible assets	19	-	-	19

## Notes To The Quarterly Report For The Third Financial Quarter Ended 30 September 2013 (cont'd)

9. 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.

10. Changes In The Composition

There were no changes in the composition of the company for the current quarter and financial year-to-date.

11. Changes In Contingent Liabilities

	Period Ended 30.09.2013 RM'000	Year Ended 31.12.2012 RM'000
In respect of corporate guarantee for credit facilities granted to a subsidiary company	<u>11,116</u>	<u>9,511</u>

12. Capital Commitments

There were no capital expenditure approved and contracted for in the current quarter and the financial year-to-date.

13. Significant Related Party Transactions

The Group has the following significant transaction with related parties during the financial quarter and financial year-to-date:-

<u>Company</u>	<u>Relationship</u>	Current Financial Quarter 30/09/2013 RM'000	Preceding Financial Quarter 30/09/2012 RM'000	Current Financial Year-To-Date 30/09/2013 RM'000	Preceding Financial Year-To-Date 30/09/2012 RM'000
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	72	72
- Marvellous Production Sdn Bhd		<u>84</u>	<u>84</u>	<u>252</u>	<u>252</u>

**PART 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 profit before taxation of RM1.2 million as compared to a profit before taxation of RM0.5 million over the preceding corresponding quarter with a 4% increase in total revenue. This was mainly due to higher margin on contracts executed during the period especially from the fabrication of dish heads as compared to the preceding corresponding quarter. The fabrication of dish heads for the quarter under review increased by 498% as compared to the preceding corresponding quarter.

For the financial year-to-date, the Group recorded a loss before taxation of RM1.7 million as compared to a loss before taxation of RM1.2 million in the preceding year corresponding period due to lower revenue coupled with increase in finance and administrative costs during the financial year-to-date.

2. Variation Of Results Against Preceding Quarter

The Group registered a profit before taxation of RM1.2 million for the quarter as compared to a loss before taxation of RM1.4 million for the preceding quarter as a result of 26% increase in volume of business and further enhance by the increased margin on contracts executed during the quarter especially from the fabrication of dish heads. The fabrication of dish heads during the quarter increased by 72% as compared 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 and low profit margin in the export market. However, the Group will continue to undertake precautionary measures and manage its cost exposure to enhance 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. Additional Disclosure on Profit / (Loss) Before Taxation

	Current Financial Quarter 30/09/2013 RM'000	Preceding Financial Quarter 30/09/2012 RM'000	Current Financial Year-To-Date 30/09/2013 RM'000	Preceding Financial Year-To-Date 30/09/2012 RM'000
Profit / (Loss) before taxation is derived after taking into consideration of the following:-				
Allowance for impairment of receivables	-	48	-	145
Amortisation of intangible assets	1	9	19	28
Depreciation of property, plant and equipment	282	305	822	907
Interest expenses	149	80	432	288
(Gain) / Loss on foreign exchange				
- Unrealised	-	(3)	(1)	(65)
- Realised	<u>(13)</u>	<u>(27)</u>	<u>(32)</u>	<u>38</u>



## Notes To The Quarterly Report For The Third Financial Quarter Ended 30 September 2013 (cont'd)

6. Taxation

	Current Financial Quarter 30/09/2013 RM'000	Current Financial Year-To-Date 30/09/2013 RM'000
Based on results for the financial year-to-date	-	-

7. Corporate Proposal Status

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

8. Group Borrowings

	As At End of Current Quarter 30/09/2013 RM'000
<b>(i) Short Term</b>	
<u>SECURED</u>	
Hire Purchase	78
Bank Overdrafts	5,565
Bankers Acceptance	5,095
	<u>10,738</u>
<u>UNSECURED</u>	
Bank Overdrafts	195
Bankers Acceptance	116
	<u>311</u>
Total Short Term Borrowings	<u>11,049</u>
<b>(ii) Long Term</b>	
<u>SECURED</u>	
Hire Purchase	438
<b>TOTAL GROUP BORROWINGS</b>	<u><u>11,487</u></u>

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

9. Material Litigation

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

10. Dividend

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

11. Profit / (Loss) Per Share

	Current Financial Quarter 30/09/2013 RM'000	Preceding Financial Quarter 30/09/2012 RM'000	Current Financial Year-To-Date 30/09/2013 RM'000	Preceding Financial Year-To-Date 30/09/2012 RM'000
Net profit / (loss) after taxation for the period	1,213	475	(1,729)	(1,187)
Weighted average number of ordinary shares in issue ('000)	45,382	45,382	45,382	45,382
Basic profit / (loss) per share (sen)	<u>2.7</u>	<u>1.0</u>	<u>(3.8)</u>	<u>(2.6)</u>

12. Realised and Unrealised Accumulated Losses

	As At End of Current Quarter 30/09/2013 RM'000	As At Preceding Financial Year Ended 31/12/2012 RM'000
<b>Group and Subsidiary Companies</b>		
Accumulated losses		
- Realised	(22,116)	(20,408)
- Unrealised	(1)	(9)
<b>Associated Company</b>		
- Realised	(159)	(130)
Total consolidated accumulated losses	<u>(22,276)</u>	<u>(20,547)</u>

BY ORDER OF THE BOARD

LIM PAIK GOOT  
KOH MUI TEE  
Company Secretaries  
Selangor, 27 November 2013