



CN ASIA CORPORATION BHD

(Registration No.: 199601027090 (399442-A))

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2023**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 ** RM'000
Revenue	3,085	2,586	3,085	-
Cost of sales	(1,851)	(1,961)	(1,851)	-
Gross profit	1,234	625	1,234	-
Selling and distribution expenses	(6)	(10)	(6)	-
Administrative expenses	(915)	(947)	(915)	-
Other operating expenses	(6)	(1,086)	(6)	-
Other income	94	71	94	-
Profit/(Loss) from operations before interest and tax	401	(1,347)	401	-
Finance costs	(88)	(102)	(88)	-
Profit/(Loss) before tax	313	(1,449)	313	-
Tax expense	(72)	(56)	(72)	-
Profit/(Loss) after tax for the period	241	(1,505)	241	-
Other comprehensive expense, net of tax that may be reclassified subsequently to profit and loss	-	-	-	-
Total comprehensive income/(expense) for the period	241	(1,505)	241	-
Net profit/(loss) for the period attributable to: -				
Owners of the Company	241	(1,505)	241	-
Non-controlling interests	-	-	-	-
	241	(1,505)	241	-
Total comprehensive income/(expense) for the period attributable to: -				
Owners of the Company	241	(1,505)	241	-
Non-controlling interests	-	-	-	-
	241	(1,505)	241	-
Earnings/(Loss) per share (sen)				
- Basic	0.12	(0.88)	0.12	-
- Diluted	0.10	(0.74)	0.10	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial period ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information available for the 3 months financial period ended 30 June 2023.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	As At Current Financial Period Ended 30.06.2023 RM'000	As At Preceding Financial Period Ended 31.03.2023 RM'000
ASSETS		
Non-current Assets		
<i>Property, plant and equipment</i>	14,543	14,828
<i>Right-of-use asset</i>	530	618
<i>Intangible asset</i>	80	88
	<u>15,153</u>	<u>15,534</u>
Current Assets		
<i>Inventories</i>	4,877	3,869
<i>Trade and other receivables</i>	20,814	17,098
<i>Contract assets</i>	188	188
<i>Current tax asset</i>	203	239
<i>Cash and cash equivalents</i>	12,102	15,676
	<u>38,184</u>	<u>37,070</u>
TOTAL ASSETS	<u><u>53,337</u></u>	<u><u>52,604</u></u>
EQUITY AND LIABILITIES		
Equity		
<i>Share capital</i>	75,046	75,046
<i>Share options reserve</i>	162	162
<i>Accumulated losses</i>	(32,824)	(33,065)
Shareholders' Equity	<u>42,384</u>	<u>42,143</u>
Liabilities		
Non-current Liability		
<i>Lease liabilities</i>	196	292
<i>Term loan</i>	3,096	3,120
	<u>3,292</u>	<u>3,412</u>
Current Liabilities		
<i>Trade and other payables</i>	2,057	935
<i>Contract liabilities</i>	1,619	1,170
<i>Short-term borrowings</i>	3,607	4,571
<i>Lease liabilities</i>	378	373
	<u>7,661</u>	<u>7,049</u>
TOTAL LIABILITIES	<u>10,953</u>	<u>10,461</u>
TOTAL EQUITY AND LIABILITIES	<u><u>53,337</u></u>	<u><u>52,604</u></u>
Net Assets Per Share (RM)	<u><u>0.17</u></u>	<u><u>0.17</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2023**

	← Financial Period Ended →	
	30.06.2023	30.06.2022 **
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit Before Tax	313	-
Adjustments For:-		
Amortisation of intangible asset	8	-
Amortisation of leasehold land	12	-
Depreciation of property, plant and equipment	347	-
Depreciation of right-of-use asset	88	-
Gain on foreign exchange - Unrealised	(11)	-
Interest expenses	88	-
Interest income	(74)	-
	458	-
Operating Profit Before Working Capital Changes	771	-
Changes In Working Capital		
Inventories	(1,008)	-
Receivables	(3,705)	-
Payables	1,571	-
Cash Used In Operations	(2,371)	-
Interest paid	(88)	-
Tax Paid	(35)	-
Net Cash Used In Operating Activities	(2,494)	-
Cash Flows From Investing Activities		
Interest received	74	-
Capital work-in-progress incurred	(14)	-
Purchase of property, plant and equipment	(61)	-
Net Cash Used In Investing Activities	(1)	-
Cash Flows From Financing Activities		
Placement of pledged fixed deposit	(73)	-
Net repayments of bankers' acceptance	(326)	-
Net repayments of lease liabilities	(91)	-
Net repayments of term loan	(23)	-
Net Cash Used In Financing Activities	(513)	-
Net Decrease In Cash And Cash Equivalents	(3,008)	-
Cash And Cash Equivalents At Beginning Of The Financial Year	1,654	-
Cash And Cash Equivalents At End Of The Financial Period	(1,354)	-
Cash and cash equivalents at end of the financial period comprise:		
Cash and cash equivalents	12,102	-
Bank overdrafts	(2,369)	-
	9,733	-
Less: Deposits pledged as security for banking facilities	(11,087)	-
	(1,354)	-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information available for the 3 months financial period ended 30 June 2023.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2023**

	-----Attributable to owners of the Company-----			
	Non-distributable	Distributable		
	SHARE CAPITAL RM'000	SHARE OPTIONS RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL EQUITY RM'000
Current financial period ended 30 June 2023				
At 1 April 2023	75,046	162	(33,065)	42,143
<u>Transaction with owners:</u>	-	-	-	-
Profit for the period	-	-	241	241
At 30 June 2023	75,046	162	(32,824)	42,384

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information available for the 3 months financial period ended 30 June 2023.*

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023**

Part A: Explanatory Notes Pursuant To MFRS 134

A1. Corporate information

CN ASIA CORPORATION BHD is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

A2. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities. 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 for the financial period ended 31 March 2023.

Change in Accounting Standards

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements of the Group for the financial period ended 31 March 2023 except for the adoption of the following MFRSs and Amendments to MFRSs that are applicable to the Group effective on or after 1 January 2023: -

- Amendments to MFRS 101, MFRS 17, MFRS 108, MFRS 112, MFRS 16, MFRS 10 and MFRS 128.

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations are not expected to have any material impact to the Group’s financial statements in the period of application.

Change in Financial Year End

The current financial period under review covers three (3) months period from 1 April 2023 to 30 June 2023, representing the first financial quarter subsequent to the change of the Group’s financial year end from 31 December to 31 March. Accordingly, no comparative cumulative results, cash flow and changes in equity are presented.

Review of consolidated interim financial statements

The consolidated interim financial statements for the period ended 30 June 2023 had been reviewed by the external auditors.

A3. Auditors’ report on preceding annual financial statements

The auditor’s report of the Group’s annual audited financial statements of the preceding financial period was not subject to any qualification.

A4. 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.

A5. Items of an unusual nature

There were no item affecting assets, liabilities, equity, net income, or cash flows that are unusual due to their nature, size or incidence.

A6. Material changes in estimates

There were 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.

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part A: Explanatory Notes Pursuant To MFRS 134 (Cont'd)

A7. Changes in debts and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the current financial year-to-date up to the date of this report.

As at 30 June 2023, 30,201,970 Warrants A have not been exercised.

A8. Dividend paid

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

A9. Operating Segments

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as the chief operating decision makers in order to allocate resources to segments and to assess performance of the Group. For management purposes, the Group is organised into business units based on their products and services provided, and has the following main business segments: -

- (a) Manufacturing - Manufacture tanks and related products, engineering and fabrication works.
- (b) Financial services - Providing moneylending services.
- (c) Energy Management - The business of energy management focused on nano technology lighting and urban farming.
- (d) Investment - Investment holdings comprise of companies providing management services.

<u>Business segments</u>	Manufacturing RM'000	Financial Services RM'000	Energy Management RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	2,846	239	-	-	-	3,085
Inter-segment revenue	-	-	-	114	(114)	-
Total revenue	2,846	239	-	114	(114)	3,085
Results						
Segment results	207	235	(34)	(81)	-	327
Finance costs	(88)	(99)	-	-	99	(88)
Interest income	72	-	-	2	-	74
Profit / (loss) before tax	191	136	(34)	(79)	99	313
Tax expense	(17)	(55)	-	-	-	(72)
Profit / (loss) after tax	174	81	(34)	(79)	99	241
Assets						
Segment assets	32,638	17,916	297	2,577	(91)	53,337
Liabilities						
Segment liabilities	10,558	102	-	384	(91)	10,953
Included in the measure of segment assets						
Capital expenditure	75	-	-	-	-	75
Depreciation and amortisation	447	-	-	8	-	455

Geographical information – Not Applicable.

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part A: Explanatory Notes Pursuant To MFRS 134 (Cont'd)

A10. Trade and other receivables

	Financial Quarter Ended 30.06.2023 RM'000	Financial Period Ended 31.03.2023 RM'000
Trade receivables		
Non-related parties	1,941	2,338
Less: Allowance for impairment of receivables	(580)	(580)
	<u>1,361</u>	<u>1,758</u>
Loan Receivables – related party	7,000	7,000
Loan Receivables – non-related parties	16,000	12,000
	<u>23,000</u>	<u>19,000</u>
Less: Allowance for impairment on loan receivables -non-related parties	(5,840)	(5,840)
	<u>17,160</u>	<u>13,160</u>
	<u>18,521</u>	<u>14,918</u>
Other receivables, deposits and prepayments	2,293	2,180
Total trade and other receivables	<u>20,814</u>	<u>17,098</u>

The trade receivables of the Group, net of allowance for impairment, as at the end of the current quarter amounting to RM18.5 million (2023: RM14.9 million), consist of loan receivables of RM17.1 million (2023: RM13.1 million), manufacturing receivables and interest receivables of RM1.4 million (2023: RM1.8 million). The loan receivables are due upon the loan maturity ranging from September 2023 to April 2024 and the amount of RM5.8 million provided as expected credit losses in the preceding financial quarter ended 31 March 2023 was deemed sufficiently provided. The manufacturing and interest receivables are analysed as follows: -

	----- Credit Period -----				Total
	----- Within Not past due, not impaired	----- 1 to 30 days past due, not impaired	----- 31 to 60 days past due, not impaired	----- Exceeding > 60 days past due, not impaired	
Manufacturing and interest receivables (RM'000)	416	177	138	630	1,361
% of total manufacturing and interest receivables (%)	31	13	10	46	100

The Group's normal trade credit term granted to its customers ranges from 30 to 90 days. The manufacturing and interest receivables, net of allowance for impairment, that are past due for more than 60 days amounted to RM0.6 million, representing approximately 46% of the total manufacturing and interest receivables of the Group. These receivables are creditworthy receivables and the Group maintains good business relationship with on-going business transactions with these customers. Given the credit exposure of the Group's portfolio of these receivables, the allowance for impairment of approximately RM0.6 million made in the prior year was sufficient. As at the date of this report, RM0.7 million or 50% of these receivables has been collected.

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part A: Explanatory Notes Pursuant To MFRS 134 (Cont'd)

A11. Material subsequent events

There were no material event subsequent to the end of the current quarter reported, to 22 August 2023, being the latest practicable date (“LPD”), which is not earlier than seven (7) days from the date of issuance of this quarterly report, that has not been reflected in the financial statements for the period, except as disclosed in Note B6 of this report.

A12. Changes in the composition of the Group

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

A13. Changes in contingent liabilities

	Financial Quarter Ended 30.06.2023 RM'000	Financial Period Ended 31.03.2023 RM'000
<u>Secured</u>		
Bankers’ guarantee issued in favour of third parties	208	215

A14. Capital commitments

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

A15. Significant related party transactions

There were no significant transactions entered into between the Group and other related parties during the current quarter under review.

A16. Share Issuance Scheme (“SIS”)

The Company has implemented a SIS scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at the Annual General Meeting held on 11 May 2021 and came into effect on 15 June 2021. The SIS shall be in force for a period of five (5) years until 14 June 2026.

The total number of options granted, exercised and outstanding under the SIS as at the financial period ended 30 June 2023 are set out below: -

Description	All Eligible Employees (‘000)		
	Directors	Eligible Employees	Total
Total options granted At 1 April 2023 / 30 June 2023	-	600	600

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities

B1. Performance review

	Individual Quarter				Cumulative Quarter			
	3 Months Ended	3 Months Ended	Variance		3 Months Ended	3 Months Ended	Variance	
	30.06.2023 RM'000	30.06.2022 RM'000	Amount RM'000	%	30.06.2023 RM'000	30.06.2022 RM'000**	Amount RM'000	%
Revenue	3,085	2,586	499	19	3,085	-	3,085	100
Profit/(Loss) before interest and tax	401	(1,347)	1,748	130	401	-	401	100
Profit/(Loss) before tax	313	(1,449)	1,762	122	313	-	313	100
Profit/(Loss) after tax	241	(1,505)	1,746	116	241	-	241	100
Profit/(Loss) attributable to owners of the Company	241	(1,505)	1,746	116	241	-	241	100

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information for the cumulative 3 months ended 30 June 2023.*

The Group recorded a revenue of RM3.1 million for the current quarter, representing an increase of RM0.5 million or 19% against the corresponding quarter ended 30 June 2022. Revenue from manufacturing segment recorded an increase of 22% whereas revenue from financial services segment recorded a marginal decrease of 3% compared to the corresponding period. The higher revenue reported in the manufacturing segment was mainly attributable to the overall increase in all product division.

Accordingly, the Group reported a profit before tax ("PBT") of RM0.3 million compared to a LBT of RM1.4 million in the preceding year corresponding quarter. The improved results during the quarter was partly due to the increased revenue and also caused by the absent of an allowance for impairment on investment of RM1.1 million made in the preceding corresponding quarter.

B2. Comments on results against the immediate preceding quarter

	3 Months Current Quarter	3 Months Preceding Quarter	Variance	
	30.06.2023 RM'000	31.03.2023 RM'000	Amount RM'000	%
Revenue	3,085	1,947	1,138	58
Profit/(Loss) before interest and tax	401	(19,259)	19,660	102
Profit/(Loss) before tax	313	(19,361)	19,674	102
Profit/(Loss) after tax	241	(19,413)	19,654	101
Profit/(Loss) attributable to owners of the Company	241	(19,413)	19,654	101

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

Comments on results against the immediate preceding quarter (Cont'd)

The Group reported revenue of RM3.1 million for the current quarter, representing an increase of 58% against the revenue of RM1.9 million for the immediate preceding quarter. The increase was attributable to the overall increase of RM1.2 million in revenue from the manufacturing segment and a drop of RM0.1 million in revenue from the financial services segment.

The Group reported a PBT of RM0.3 million compared to a loss before tax of RM19.4 million in the preceding quarter. This was mainly due to the increase in revenue and the absent of the following items which were recognised in the preceding quarter:-

- (i) provision for credit losses on loan receivables amounting to RM5.8 million;
- (ii) writing off of development cost due to flood occurred on the project site amounting to RM12.0 million;
and
- (iii) writing off of property, plant and equipment amounting to RM0.5 million.

B3. Commentary of prospects

The Board is of the view that the business environment remains challenging and competitive in view of the rising inflation rate and the worldwide geographical conflict. Moving forward, the group's performance may be affected by the fluctuations in foreign currency exchange rates.

Amidst the uncertainties and unpredictable business environment, the Group will continue to remain cautious and continuously monitor the developments of the global economic growth situation by taking appropriate measures to pursue more projects to expand its revenue base to sustain the Group's business and improve the Group's performance.

Barring further unforeseen circumstances, the Group expects its overall performance for the financial year ending 31 March 2024 to remain challenging.

B4. Profit forecast or profit guarantee

Not applicable as no profit forecast was announced or disclosed in any public document.

B5. Tax expense

	Individual Quarter		Cumulative Quarter	
	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000 **
Income tax				
- Current year	72	60	72	-
- Overprovision in prior year	-	(4)	-	-
	<u>72</u>	<u>56</u>	<u>72</u>	<u>-</u>

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information available for the 3 months financial period ended 30 June 2023.*

The tax for the current quarter was in respect of tax provided on profits generated from the moneylending business. The Group's effective tax rate for the quarter was lower than the statutory tax rate mainly due to utilisation of unabsorbed losses brought forward.

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B6. Status of corporate proposals and utilisation of proceeds

Save for the following disclosures, there were no other corporate proposals that has been announced by the Company that remained incomplete as at the LPD.

(a) Memorandum of Agreement (“MOA”)

On 12 and 14 October 2021, the Board announced that the Company had entered into a MOA with Poly China United Capital Holdings Limited with the intention to enter into a collaboration to explore opportunities in the poly green energy and drone technology to achieve the objectives of the MOA (the “Collaboration”).

On 7 October 2022, the Company announced that the parties have mutually agreed to extend the validity of the MOA for another period of twelve (12) months till 12 October 2023.

There was no material development as announced previously as the parties are still in the process of developing a feasible business model for the Collaboration.

Further announcement will be released should there be any new development to the MOA.

(b) Heads of Agreement (“HOA”), Framework Agreement (“FA”) and Central Processing Complex Agreement (“CPC”)

Further to the HOA and FA entered between CN Asia and Markmore Energy (Labuan) Limited (“MELL”) and CaspiOil Gas LLP (“COG”) (collectively “Parties”) on 28 February 2022 and 11 April 2022 respectively, M&A Securities Sdn Bhd announced on behalf of the Board that the Company had on 16 June 2023 entered into a central processing complex (“CPC”) agreement (“CPC Agreement”) with MELL and COG for the following:-

- the establishment of the proposed CPC Plant and First Pipeline (as defined in the announcement) at the Rakushechnoye Oil and Gas Field in the Republic of Kazakhstan (“Kazakhstan”) to process the natural gas to produce liquefied petroleum gas (“LPG”) and condensate; and
- the processing and production of natural gas extracted from the Rakushechnoye Oil and Gas Field in Kazakhstan (“Gas” or “Natural Gas”).

(Collectively, the “Proposed Gas Processing”)

In conjunction with the Proposed Gas Processing, the Board proposes to undertake the following proposals:-

- Proposed private placement of 73,397,000 new ordinary shares in CN Asia (“CNASIA Shares”, “Shares” or “Placement Shares”), representing approximately 30.0% of the total existing number of Shares in CNASIA (“Proposed Private Placement”);
- proposed renounceable rights issue of up to 4,535,126,440 CNASIA Shares (“Rights Shares”) together with up to 907,025,288 free detachable warrants (“Warrants-B”) on the basis of thirteen (13) Rights Shares for every one (1) existing Share held together with one (1) Warrants-B for every five (5) Rights Shares subscribed (“Proposed Rights Issue with Warrants-B”);
- proposed issuance of 1,205,263,158 CNASIA Shares to MELL at an issue price of RM0.19 per share pursuant to the Proposed Gas Processing (“Proposed Issuance of Shares”);

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

Status of corporate proposals and utilisation of proceeds (Cont'd)

- *Heads of Agreement (“HOA”), Framework Agreement (“FA”) and Central Processing Complex Agreement (“CPC”)*

- proposed issuance of 1,205,263,158 redeemable convertible preference shares in CNASIA (“RCPS”) to MELL at an issue price of RM0.19 per RCPS (“Proposed Issuance of RCPS”);
- proposed diversification of the business of CNASIA and its subsidiaries (“CNASIA Group” or “Group”) into the downstream oil and gas industry which include the production of LPG and condensate (“Proposed Diversification”); and
- proposed amendments to the Constitution of the Company to facilitate the Proposed Issuance of RCPS (“Proposed Amendments”).

(The Proposed Gas Processing together with the above proposals are collectively known as the “Proposals”)

The Proposals are subject to and conditional upon approvals from the following:-

- Bursa Securities for the listing of and quotation of the Shares;
- shareholders of the Company at an extraordinary general meeting to be held for the Proposals;
- Bank Negara Malaysia for the investment abroad;
- the procurement from the Government Authority for the Right of Way and execution of the Land Lease Agreement;
- approval of the Government Authority for the construction of the CPC and First Pipeline; and
- any other relevant parties/authorities, if required.

Further announcement will be made in due course.

B7. Group borrowings

	Financial Period Ended 30.06.2023 RM'000	Financial Period Ended 31.03.2023 RM'000
<u>SECURED</u>		
Short term		
Bank overdraft	2,369	3,008
Bankers' acceptance	1,142	1,468
Term Loan	96	95
	<hr/>	<hr/>
	3,607	4,571
Lease liabilities	378	373
	<hr/>	<hr/>
	3,985	4,944
Long term		
Lease liabilities	196	292
Term loan	3,096	3,120
	<hr/>	<hr/>
	3,292	3,412
Total Borrowings	<hr/> <hr/>	<hr/> <hr/>
	7,277	8,356

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

B8. Material litigation

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

B9. Dividend

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

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B10. Earnings/(Loss) per share

(a) Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000 **
Profit/(Loss) after tax for the period	241	(1,505)	241	-
Weighted average number of ordinary shares in issue ('000)	209,125	171,374	209,125	-
Basic earnings/(loss) per share (sen)	0.12	(0.88)	0.12	-

(b) Diluted earnings/(loss) per share

Profit/(Loss) after tax for the period	241	(1,505)	241	-
Weighted average number of ordinary shares in issue ('000)	209,125	171,374	209,125	-
Effect of potential exercise of share options ('000)	600	600	600	-
Effect of potential exercise of Warrants ('000)	30,202	30,202	30,202	-
	239,927	202,176	239,927	-
Diluted earnings/(loss) per share (sen)	0.10	(0.74)	0.10	-

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information available for the 3 months financial period ended 30 June 2023.*

B11. Additional disclosure on profit/(loss) before tax

	Individual Quarter		Cumulative Quarter	
	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000 **
Profit/(Loss) before tax is derived after charging/(crediting) the following: -				
Allowance for impairment of investment	-	1,086	-	-
Amortisation of intangible assets	8	8	8	-
Amortisation of leasehold land	12	11	12	-
Depreciation of property, plant and equipment	347	394	347	-
Depreciation of right-of-use asset	88	89	88	-
Interest expenses	88	102	88	-
Interest income	(74)	(53)	(74)	-
(Gain)/Loss on foreign exchange				-
- Unrealised	(11)	(12)	(11)	-
- Realised	(9)	(5)	(9)	-

*** In view of the change in financial year end from 31 December 2022 to 31 March 2023, there was no comparative financial information available for the 3 months financial period ended 30 June 2023.*

CN ASIA CORPORATION BHD (Registration No: 199601027090 (399442-A))
(Incorporated in Malaysia)

**Notes To The Condensed Consolidated Interim Financial Statements
For The First Financial Quarter Ended 30 June 2023 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B.12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2023.

BY ORDER OF THE BOARD

MOHD ZAKIE BIN SOAD (LS 0008268) (SSM PC No. 201908002382)
Company Secretary
Selangor, 29 August 2023