

ASIA8, INC.
Form 10-Q
May 14, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **March 31, 2012**.

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from

to

.

Commission file number: **000-27735**

ASIA8, INC.

(Exact name of registrant as specified in its charter)

Nevada

77-0438927

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

700 Lavaca Street, Suite 1400 Austin, Texas 78701

(Address of principal executive offices) (Zip Code)

(480) 505-0070

(Registrant's telephone number, including area code)

n/a

(Former name, former address and former fiscal year, if changes since last report)

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The number of shares outstanding of the issuer's common stock, \$0.001 par value (the only class of voting stock), at May 13, 2012, was 24,411,360.

1

TABLE OF CONTENTS

PART 1- FINANCIAL INFORMATION

Item 1.

Financial Statements:

3

Balance Sheets as of March 31, 2012 (unaudited) and December 31, 2011 (audited)

4

Unaudited Statements of Operations for the Three month periods ended March 31,

5

2012 and March 31, 2011

Unaudited Statements of Cash Flows for the Three month periods ended March 31,

6

2012 and March 31, 2011

Notes to Financial Statements

7

Item 2.

Management's Discussion and Analysis of Financial Condition and Results of

12

Operations

Item 3.

Quantitative and Qualitative Disclosures about Market Risk

18

Item 4.

Controls and Procedures

18

PART II-OTHER INFORMATION

Item 1.

Legal Proceedings

19

Item 1A.

Risk Factors

19

Item 2.

Unregistered Sales of Equity Securities and Use of Proceeds

22

Item 3.

Defaults Upon Senior Securities

22

Item 4.

(Removed and Reserved)

22

Item 5.

Other Information

22

Item 6.

Exhibits

22

Signatures

23

Index to Exhibits

24

2

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms Company, we, our, and us refer to Asia8, Inc., a Nevada corporation, and our subsidiaries and predecessors, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

3

ASIA8, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

March 31,

December 31,

2012

2011*

(Unaudited)

ASSETS

CURRENT ASSETS

Cash

\$

346 \$

391

Accounts receivable

81,000

Other current assets

5,094

5,094

Total Current Assets

86,440

5,485

FIXED ASSETS, Net

-

-

OTHER ASSETS

Investments

104,358

214,380

Total Other Assets

104,358

214,380

TOTAL ASSETS

\$

190,798 \$

219,865

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses

\$

309,619 \$

286,884

Total Current Liabilities

309,619

286,884

TOTAL LIABILITIES

309,619

286,884

STOCKHOLDERS' EQUITY

Preferred stock: 25,000,000 shares authorized;

\$0.001 par value; 2,280 and 1,000 shares

issued and outstanding, respectively

2

2

Common stock: 100,000,000 shares authorized;

\$0.001 par value; 24,411,360 and 24,156,078 shares

issued and outstanding, respectively

24,411

24,411

Additional paid-in capital

3,621,210

3,621,210

Accumulated deficit

(3,764,444)

(3,712,641)

Total Stockholders' Equity

(118,821)

(67,018)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$

190,798

\$

219,865

* The Balance Sheet as of December 31, 2011 has been derived from the audited financial statements at that date.

The accompanying notes are an integral part of these financial statements

4

ASIA8, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

UNAUDITED

Three Months Ended

March 31, 2012

March 31, 2011

REVENUES

\$

- \$

-

COST OF GOODS SOLD

-

-

GROSS PROFIT

-

-

OPERATING EXPENSES

Depreciation and amortization

-

-

General and administrative

17,651

20,301

Total Operating Expenses

17,651

20,301

LOSS FROM OPERATIONS

(17,651)

(20,301)

OTHER INCOME (EXPENSES)

Preferred stock dividend

(5,130)

(5,130)

Loss from equity investment

(29,022)

(1,885)

Total Other Expenses

(34,152)

(7,015)

NET LOSS

\$

(51,803) \$

(27,316)

BASIC LOSS PER SHARE

\$

(0.002) \$

(0.001)

FULLY DILUTED LOSS PER SHARE

(0.002)

(0.001)

BASIC WEIGHTED AVERAGE NUMBER OF SHARES

OUTSTANDING

24,158,876

24,411,360

FULLY DILUTED WEIGHTED AVERAGE NUMBER OF

SHARES OUTSTANDING

24,158,876

24,411,360

NET LOSS

\$

(51,803) \$

(27,316)

OTHER COMPREHENSIVE INCOME (LOSS)

-

-

TOTAL COMPREHENSIVE LOSS

\$

(51,803) \$

(27,316)

The accompanying notes are an integral part of these financial statements

5

ASIA8, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

Three Months Ended

March 31, 2012

March 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss

\$

(51,803)

\$

(27,316)

Adjustments to reconcile net loss to

net cash used by operating activities:

Depreciation expense

-

-

(Gain) Loss on disposition of assets

-

-

(Gain) Loss on equity investments

29,022

1,885

Loss on Investments

-

-

Changes in operating assets and liabilities

(Increase) decrease in receivables

(81,000)

-

(Increase) decrease in other current assets

-

(1,500)

Increase (decrease) in accounts payable and

accrued expenses

21,849

11,286

Net Cash Provided by (Used in) Operating Activities

(81,932)

(15,663)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investment

81,000

-

Net Cash Provided by (Used in) Investing Activities

81,000

-

CASH FLOWS FROM FINIANCING ACTIVITIES

Common and preferred stock issued for cash/debt

-

-

Increase(decrease) in note payable

887

(14,634)

Net Cash Used In Financing Activities

887

(14,634)

NET INCREASE (DECREASE) IN CASH

(45)

(30,297)

CASH AT BEGINNING OF PERIOD

391

35,066

CASH AT END OF PERIOD

\$

346 \$

4,769

The accompanying notes are an integral part of these financial statements

6

ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

March 31, 2012

NOTE 1 - ORGANIZATION AND HISTORY

Asia8, Inc. (the Company) was incorporated in Nevada as H&L Investments, Inc. in September of 1996. On December 22, 1999 the Company changed its name to Asia4sale.com, Inc. on acquiring Asia4Sale.com, Ltd., a Hong Kong registered software development company. The Company sold Asia4Sale.com, Ltd. in January of 2005.

The Company acquired a 49% interest in World Wide Auctioneers, Inc., a Nevada registered corporation, holding 100% of a British Virgin Island registered company World Wide Auctioneers, Ltd (World Wide), an international equipment auction company on June 30, 2000. World Wide, based in the United Arab Emirates (UAE) holds unreserved auctions on a consignment basis for the sale of construction, industrial and transportation equipment. On August 8, 2003 World Wide Auctioneers, Inc. sold 100% of World Wide to a Nevada registered company, WWA Group, Inc. (WWA Group) in a stock exchange transaction. The stock exchange caused the Company to acquire a minority equity investment in WWA Group which it accounts for using the equity method. WWA Group sold World Wide to Seven International Holdings, Ltd. (Seven), a Hong Kong registered company, on October 31, 2010, in exchange for Seven's assumption of the assets and liabilities of World Wide subject to certain exceptions. The disposition did not affect WWA Group's interest in Asset Forum, LLC., its ownership of proprietary on-line auction software or its equity interest and debt position in Infrastructure Developments Corp. (Infrastructure). On November 21, 2011 WWA Group converted its debt position into 165,699,842 Infrastructure common shares equal to a 63.38% equity position. Since the debt conversion caused WWA Group to become the controlling shareholder of Infrastructure it consolidated Infrastructure's financials with those of WWA Group at December 31, 2011.

The Company maintains the exclusive rights to distribute Unic Cranes, Atomix boats and Renhe Mobile House products or Wing Houses in the UAE though it has since discontinued distribution efforts in

relation to the Unic Crane and Atomix boat products.

NOTE 2 GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liabilities in the normal course of business. Accordingly, they do not include any adjustments relating to the realization of the carrying value of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company has accumulated losses and working capital and cash flows from operations are negative which raises doubt as to the validity of the going concern assumptions. These financials do not include any adjustments to the carrying value of the assets and liabilities, the reported revenues and expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate; such adjustments could be material.

7

ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

March 31, 2012

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying consolidated financial statements include our accounts and the accounts of our subsidiaries. All intercompany accounts and transactions have been eliminated.

Our interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S.GAAP) for interim financial information and the rules and regulations of the Securities and Exchange Commission (the SEC) for interim financial statements and accounting policies, consistent, in all material respects with those applied in preparing our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In our opinion, all adjustments, consisting of only normal recurring adjustments considered necessary for fair presentation, have been included.

Operating results for the three months ended March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012 or any future period.

b. Basic Loss per Share

For the Three Months Ended March 31, 2012

Income

Shares

Per-Share

(Numerator)

(Denominator)

Amount

\$

(51,803)

24,158,876

\$

(0.00)

For the Three Months Ended March 31, 2011

Income

Shares

Per Share

(Numerator)

(Denominator)

Amount

\$

(27,316)

24,411,360

\$

(0.00)

The computations of basic loss per share of common stock are based on the weighted average number of shares outstanding at the date of the financial statements. There are no common stock equivalents outstanding.

8

ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

March 31, 2012

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES, Continued

c. Recent Accounting Pronouncements

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income, Presentation of Comprehensive Income and in December 2011, the FASB issued ASU No. 2011-12, Deferral of the Effective Date for Amendments to the Presentation of Reclassification of Items out of Accumulated Other comprehensive Income in ASU 2011-05 to increase the prominence of items reported in other comprehensive income. Specifically, the new guidance allows an entity to present components of net income or other comprehensive income in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive statements. The new guidance eliminates the current option to report other comprehensive income and its components in the consolidated statement of shareholders' equity. While the new guidance changes the presentation of comprehensive income, there are no changes to the components that are recognized in net income or other comprehensive income under current accounting guidance. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. We adopted this guidance on January 1, 2012 and have presented a new financial statement titled Condensed Consolidated Statement of Comprehensive Income for the three month periods ending March 31, 2012 and April 2, 2011.

ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

March 31, 2012

NOTE 4- EQUITY INVESTMENT

In August 2000 the Company paid \$970,000 cash to acquire 49% of World Wide Auctioneers, Inc., a Nevada registered company holding 100% of British Virgin Island registered company World Wide Auctioneers, Ltd. (World Wide). In August 2003 World Wide Auctioneers, Inc., sold 100% of World Wide to WWA Group in a stock for stock transaction whereby the stock of WWA Group was issued directly to owners of World Wide Auctioneers, Inc. The Company was issued 7,525,000 shares of WWA Group in 2003, comprising 47.5% of the issued and outstanding stock of WWA Group. On March 26, 2012, the Company sold 3,240,000 out of its investment in WWA Group shares at a price of \$0.025 per share, for a net amount of \$81,000. At March 31, 2012, the Company owned 16% of the issued and outstanding WWA Group common stock.

Condensed financial information of WWA Group:

As at March 31,

2012

2011

Cash

\$

27,879

\$ 49,010

Pre-paid expenses

24,073

32,406

Other current assets

21,151

14,719

Goodwill

141,061

181,250

Total Assets

\$ 214,164

\$ 277,386

Accounts payables

\$ 45,260

\$ 27,856

Accrued expenses

115,919

170,563

Short-term debt

414,239

361,840

Common stock

22,592

22,592

Additional paid-in capital

4,449,080

4,449,080

Retained earnings

(4,692,644)

(4,650,299)

Non-controlling interest

(140,282)

(104,247)

Total Liabilities and Stockholders' Equity

\$ 214,164

\$ 227,386

Condensed financial information of WWA Group:

For the three months Ended

March 31,

2012

2011

Net revenues

56,300

0

Direct costs

(61,186)

(0)

Operating expenses

(4,886)

(0)

Other income (expense)

(60,809)

(1,716,837)

Income taxes

-

-

Net Income (Loss)

\$

(65,695)

\$ (1,716,837)

10

ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

March 31, 2012

NOTE 5- EQUITY TRANSACTIONS

In 2009, the Company issued 255,282 shares of common stock for cash at \$0.16 per share. In 2008, the Company issued 1,084,243 shares of common stock by converting notes payables into equity at \$0.16 per share. In 2007, the Company issued 2,124,250 shares of common stock for cash at prices ranging from \$0.08 to \$0.16 per share for a total value of \$304,800.

During the year ended December 31, 2008 the Company issued 1,280 shares of preferred stock for cash at \$100 per share. During the year ended December 31, 2007, the Company issued 1,000 shares of preferred stock at \$100 per share. The each share of preferred stock is convertible to 400 shares of common stock.

The Series 1 preferred shares have a coupon rate of 9% interest per annum, with no redemption provision.

NOTE 6 - ADDITIONAL FOOTNOTES INCLUDED BY REFERENCE

Except as indicated in the Note 1 through Note 5, above, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company's Form 10-K for the year-ended December 31, 2011. Therefore, those footnotes are included herein by reference.

NOTE 7 USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles in United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 8 ACCOUNTS PAYABLE TO RELATED PARTY

Accounts Payable and Accrued Expenses include \$67,514 of Notes Payable to related party. The notes bear no interest and are payable on demand.

NOTE 9 SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through May 13, 2012, and determined there are no events to disclose.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties.

Forward-looking statements can be identified by words such as *anticipates, expects, believes, plans, predicts, and similar terms*. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. All information presented herein is based on our period ended March 31, 2012. Our fiscal year end is December 31.

Discussion and Analysis

General

The Company's current focus is to work together with WWA Group and Infrastructure to increase the value of its investment and to leverage those relationships to develop the distribution of Wing House mobile shelter systems. We anticipate that we will require additional capital to market this business and recognize that the economic downturn in the global economy has decreased demand for our products that depend on the vitality of the construction sector industry in the Gulf Region.

Distribution Rights

We are displaying and using Wing House office units on the internet and in a yard in Thailand while actively marketing the units by email. We are offering the units for sale or rental on a 60 day delivery schedule from order date. We are negotiating financing with the manufacturer to spur sales efforts though demand for this type of housing has receded. Infrastructure may continue to tender contracts in Asia that may lead to more in house created demand for the units. The Company and Infrastructure will share gross profits made on any sales or rentals generated by Infrastructure's efforts.

WWA Group Equity Interest

WWA Group's auctions developed a significant customer base that achieved consistent revenue and profits that led to a dominant market share in Dubai, its primary operating market. The Company invested in WWA in 2000, anticipating potential future value appreciation in that investment, and possible synergies with our management's experience in Asian product sourcing and WWA's core auction and selling business. WWA Group sold WWA to Seven on October 31, 2010.

Since the relationship between the Company and WWA Group is one of common management control, we benefit from the contacts and business development opportunities generated by its business activities. We intend to provide additional financial and business support to WWA Group as necessary to help grow the value of our equity interest, and to provide us opportunities that are related to and generated by WWA Group.

Infrastructure

WWA Group maintains a consolidated 57.6% equity interest in Infrastructure, a project management company due to the conversion of a promissory note due into shares of Infrastructure on November 21, 2011. We believe that despite competitive pricing pressures, a significant number of projects fall within the criteria expressed by Infrastructure and that alternative fuel conversions will become widespread as fuel prices rise and fueling infrastructure becomes available.

Since each of WWA Group and Infrastructure share common management we believe that there exists an opportunity to utilize our international presence and existing relationships to assist Infrastructure in procuring new projects and managing existing ones. Management recognizes that Infrastructure's success is critical to any gain on its investment. The effect being we work with Infrastructure on an as needed basis to provide any assistance that might be required and within our ability to assist.

Asset Forum LLC.

On May 1, 2012 WWA Group abandoned efforts to commercialize the operations of Asset Forum LLC. due to a lack of sufficient resources to develop the site and intense competition in the online auction space.

Expansion Plans into other Businesses

The Company is currently targeting operating businesses and assets that are priced at current market levels that do not rely on expanding economies to generate profit. Since the Company's ability to raise capital for acquisitions is limited our current intention is to rely on stock for stock exchange transactions as a means by which to expand into new business opportunities.

The Company has signed a memorandum of agreement to acquire Emerging Market Property Advisors, a UK limited liability company in a stock for stock exchange transaction that is involved in the marketing of international real estate opportunities to prospective investors through the internet. EMP offers lead generation, email marketing campaigns and property showings to a variety of clients that are intent on presenting a wide array of real estate investment options to international investors. Clients are also offered assistance with corporate identity, web development and enhanced graphics to build awareness of the opportunities presented. Since 2005 EMP has consistently increased its revenue stream, grown gross

profit margins, and established a loyal customer base. The transaction is intended as a stock exchange whereby Asia8 will acquire EMP as a wholly owned subsidiary that will continue to operate as an autonomous unit. We are on the verge of signing a definitive agreement and expect to proceed with the transaction in the 2nd quarter of 2012 subject to shareholder approval.

Financial Condition and Business Development Risks

Our financial condition and results of operations will depend primarily on prospective income generated from our investments and/or expansion businesses. Meanwhile, our continued operation is tied to our ability to realize debt or equity financing. Since the Company is currently without income it can provide no assurance that income will be forthcoming or in the event income is realized that such return will provide sufficient cash flows to sustain our operations.

Our business development strategy is prone to significant risks and uncertainties which are having an immediate impact on our efforts to realize net cash flow. We have a limited history of generating income. Should we be unable to generate income, the Company's ability to continue its business operations will be in jeopardy.

Results of Operations

During the period ending March 31, 2012, the Company failed to realize revenues from the sale of its products or income from its equity investment, which failure resulted in a continuation of net losses for the period. Nevertheless, the Company remains optimistic that Wing Houses are in demand, and that a global economic recovery in 2012 alongside the efforts of Infrastructure will generate sales of Wing Houses.

Revenue

Revenue for the three month periods ended March 31, 2012 and March 31, 2011 was \$0. The lack of revenues over the comparative periods can be primarily attributed to the effect that a global recession has had on the demand for Wing Houses. We expect revenue in future periods with a return to economic normalization in the global markets and a broadening of Infrastructure's business which we expect will create an in house demand for Wing Houses.

Operating Expenses

Operating expenses for the three month period ended March 31, 2012, were \$17,651 as compared to \$20,301 for the three month period ended March 31, 2011. The decrease in expenses over the comparative periods can be attributed to a decrease in general and administrative expenses. We expect that operating expenses will decrease until such time as the capital becomes available to us to expand our marketing efforts.

Depreciation and amortization expenses for the three month period ended March 31, 2012 and March 31, 2011 were \$0 and \$0 respectively. Depreciation and amortization expenses are expected as we acquire additional assets in the process of expanding our distribution activities.

Other Expenses

Other expenses for the three month period ended March 31, 2012, were \$34,152 as compared to \$7,015 for the three month period ended March 31, 2011. Other expenses are attributed to the loss on equity investments tied to our interest in WWA Group and a preferred stock dividend. We expect to continue to realize other expenses related to the business operations of WWA Group in the near term.

Net Losses

Net losses for the three month period ended March 31, 2012, were \$51,803 as compared to \$27,316 for the three month period ended March 31, 2011. The increase in net losses in the current period can be attributed to an increase in losses on our equity investments over the comparative periods. We expect to continue to realize net losses until such time as our operations produce revenue and our equity investment provides us a return on investment.

Capital Expenditures

The Company did not spend any significant amounts on capital expenditures during the three month period ended March 31, 2012.

Income Tax Expense (Benefit)

The Company may have an income tax benefit resulting from net operating losses to offset any future operating profit. However, the Company has not recorded this benefit in the financial statements because it cannot be assured that it will utilize the net operating losses carried forward in future years.

Impact of Inflation

The Company believes that inflation has had a negligible effect on operations over the past three years.

Liquidity and Capital Resources

As of March 31, 2012, the Company had a working capital deficit of \$223,179. Our current assets were \$86,440 consisting of \$346 in cash, \$81,000 in accounts receivable and \$5,094 in other assets. Our total assets were \$190,798 consisting of our current assets and our equity investments totaling \$104,358. At March 31, 2012, our current and total liabilities were \$309,619.

Cash flow used in operating activities for the period ended March 31, 2012, was \$81,932 as compared to cash flow used in operating activities of \$15,663 for the period ended March 31, 2011. Cash flow used in operating activities in the current period can be attributed to net losses, current assets and receivables offset by a loss on our equity investment. We expect that cash flow used in operating activities will decrease as net losses decrease.

Cash flow provided by investing activities for the periods ended March 31, 2012 and March 31, 2011, was \$81,000 and \$0 respectively. Cash flow provided by investing activities in the period ended March 31, 2012 can be attributed to the sale of 3,240,000 shares of WWA Group, Inc stock at \$0.025. We expect to use cash flow in investing periods in future periods as capital becomes available to expand our marketing operations.

Cash flow provided in financing activities for the period ended March 31, 2012, was \$887 as compared to \$14,634 in cash flow used in financing activities for the period ended March 31, 2011. Cash flow provided by financing activities in the current period can be attributed to a decrease in a note payable. We expect to continue to have cash flow provided by financing activities in the near term in order to finance operations.

The Company owns shares of WWA Group as an equity investment. The shares are restricted common stock in a publicly traded company with a face market value (average of the bid and ask price on May 11, 2012) of \$104,120. We could sell a portion of these shares, subject to the limitations imposed by Rule 144, as a source of operating funds.

The Company's current assets are insufficient to conduct its business operations over the next twelve (12) months. We will have to seek at least \$100,000 in debt or equity financing over the next twelve months to fund our marketing efforts for our Wing Houses and to evaluate other business opportunities. The Company has no current commitments or arrangements with respect to, or immediate sources of this funding. Further, no assurances can be given that funding is available. The Company's shareholders are the most likely source of new funding in the form of loans or equity placements though none have made any commitment for future investment and the Company has no agreement formal or otherwise. The Company's inability to obtain sufficient funding will have a material adverse affect on its ability to continue business operations.

The Company does not expect to pay cash dividends in the foreseeable future.

The Company had no lines of credit or other bank financing arrangements.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to make any changes in the number of employees.

Off Balance Sheet Arrangements

As of March 31, 2012, the Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to stockholders.

Critical Accounting Policies

In the notes to the audited financial statements for the year ended December 31, 2011 included in our Form 10-K, the Company discussed those accounting policies that are considered to be significant in determining the results of operations and our financial position. The Company believes that the accounting principles we utilized conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires our management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, we evaluate estimates. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions. With respect to revenue recognition, we apply the following critical accounting policies in the preparation of our financial statements.

Revenue Recognition

The Company intends to generate revenue through the sale of its products on a private, commercial, and

industrial basis. Revenue from product sales is recognized at the time the product is shipped and invoiced and collectability is reasonably assured. The Company believes that certain revenue should be recognized as title passes to the customer at the time of shipment.

16

Going Concern

The Company's auditors have expressed an opinion as to the Company's ability to continue as a going concern as a result of an accumulated deficit of \$3,712,641 as of December 31, 2011 which increased to \$3,764,444 as of March 31, 2012. The Company's ability to continue as a going concern is subject to the ability of the Company to realize a profit and/or obtain funding from outside sources. Management's plan to address the Company's ability to continue as a going concern includes: (i) obtaining funding from the private placement of debt or equity; and (ii) realizing revenues from the sale of Wing Houses or additional business opportunities. Management believes that it will be able to obtain funding to allow the Company to remain a going concern through the methods discussed above, though there can be no assurances that such methods will prove successful.

Forward Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this current report, with the exception of historical facts, are forward looking statements. Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance;
- the sufficiency of existing capital resources;
- our ability to fund cash requirements for future operations;
- uncertainties related to the growth of our business and the acceptance of our products and services;
- our ability to achieve and maintain an adequate customer base to generate sufficient revenues to maintain and expand operations;
- the volatility of the stock market; and,
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than as required by law.

Stock-Based Compensation

The Company has adopted Accounting Standards Codification Topic (ASC) which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

The Company has no outstanding stock options or related stock option expense.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 505. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services.

Recent Accounting Pronouncements

Please see Note 3 to our financial statements for recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by the Company's management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of March 31, 2012. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company's management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms, and such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required

disclosures.

Changes in Internal Controls over Financial Reporting

During the period ended March 31, 2012, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

18

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is currently not a party to any legal proceedings.

ITEM 1A. RISK FACTORS

The Company's operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

Risks Related to the Company's Business

IF THE COMPANY DOES NOT GENERATE CASH FLOW FROM OPERATIONS AND IS UNABLE TO OBTAIN CAPITAL TO OPERATE ITS BUSINESS, IT MAY NOT BE ABLE TO EFFECTIVELY CONTINUE OPERATIONS

As of March 31, 2012, the Company had a working capital deficit of \$223,179. We will have to obtain working capital from debt or equity placements to continue operations. Although, we have a commitment for the provision of working capital, this commitment may prove to be insufficient. Should we be unable to secure capital, such condition would cause us to reduce expenditures which would have a material adverse effect on our business.

MARKET ACCEPTANCE OF THE PRODUCTS WE HAVE DISTRIBUTION RIGHTS TO IS CRITICAL TO OUR GROWTH

The Company expects to generate revenue from the sale of mobile shelters though results to date do not indicate a willingness to pay for our product. Since market acceptance of our products is critical we can offer no assurance that revenue will be generated from the sale of Wing Houses. Should be unable to procure customers for our products our results of operations will continue to be negatively impacted.

WE COMPETE WITH LARGER AND BETTER-FINANCED CORPORATIONS

Competition within the international market for mobile shelters is intense. While the products we are entitled to distribute are distinguished by next-generation innovations that are more sophisticated, flexible and cost effective than many competitive products currently in the market place, a number of entities offer mobile shelters and new

competitors may enter the market in the future. Some of our existing and potential competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than we do, including well known multi-national corporations.

AS A DISTRIBUTOR WE DEPEND ON THE PERFORMANCE OF A THIRD PARTY MANUFACTURER

The Company relies on Renhe Manufacturing China to procure Wing House mobile shelters for distribution. Our business plan is reliant on the delivery of products from this manufacturer, which reliance reduces the level of control we have and exposes us to significant risks such as inadequate capacity, late delivery, substandard quality and higher prices, all of which could adversely affect our results.

OUR CHIEF EXECUTIVE OFFICER DOES NOT OFFER HIS UNDIVIDED ATTENTION TO THE COMPANY DUE TO HIS VARIED RESPONSIBILITIES

Our chief executive officer does not offer his undivided attention to our business as he also serves as the chief executive officer of WWA Group and as a director of Infrastructure. His responsibilities cause him to divide his time, the majority of which is dedicated to the management of WWA Group. The division of time however does not necessarily indicate a division of interests as the Company owns approximately 18% of the outstanding shares of WWA Group. Nonetheless, his varied responsibilities may compromise the Company's ability to successfully conduct its business operations.

THE COMPANY'S SUCCESS DEPENDS ON ITS ABILITY TO RETAIN KEY PERSONNEL

The Company's future success will depend substantially on the continued services and performance of Eric Montandon. The loss of the services of Eric Montandon could have a material adverse effect on our business prospects, financial condition and results of operations. Our future success also depends on the Company's ability to identify, attract, hire, train, retain and motivate technical, managerial and sales personnel. Competition for such personnel is intense, and we cannot assure that we will succeed in attracting and retaining such personnel. Our failure to attract and retain the necessary technical, managerial and sales personnel would have a material adverse effect on our business prospects, financial condition and results of operations.

OUR BUSINESS IS SUBJECT TO GOVERNMENTAL REGULATIONS

International, national and local standards set by governmental regulatory authorities set the regulations by which products are certified across respective territories. Further, climate change legislation and greenhouse gas regulation is becoming increasingly ubiquitous. The products which we intend to distribute are subject to such regulation in addition to national, state and local taxation. Although we believe that we can successfully distribute our products within current governmental regulations it is possible that regulatory changes could negatively impact our operations and cause us to diminish or cease operations.

Future Risks Related to the Company's Stock

THE COMPANY INTENDS TO APPLY TO HAVE ITS STOCK QUOTED ON THE OTCBB

The Company has no public trading market for its shares, and we cannot represent to you that a market will ever develop. Nonetheless, we do intend to seek a quotation on the OTCBB. However, there can be no assurance that we will obtain a quotation on the OTCBB or that obtaining a quotation will generate a public trading market for our shares. Further, if we obtain a quotation on the OTCBB, this may limit our ability to raise money in an equity financing since many institutional investors do not consider OTCBB stocks for their portfolios. Therefore, an investors ability to trade our stock might be restricted as only a limited number of market makers quote OTCBB stock Trading volumes in OTCBB stocks are historically lower, and stock prices for OTCBB stocks tend to be more volatile, than stocks traded on an exchange or the NASDAQ Stock Market. We may never qualify for trading on an exchange or the NASDAQ Stock Market.

THE COMPANY S STOCK PRICE COULD BE VOLATILE

Should a public market for our shares develop, the future market price could be subject to significant volatility and trading volumes could be low. Factors affecting our market price will include:

perceived prospects;

negative variances in our operating results, and achievement of key business targets;

limited trading volume in shares of our common stock in the public market;

sales or purchases of large blocks of our stock;

changes in, or our failure to meet, earnings estimates;

changes in securities analysts' buy/sell recommendations;

differences between our reported results and those expected by investors and securities analysts;

announcements of new contracts by us or our competitors;

announcements of legal claims against us;

market reaction to any acquisitions, joint ventures or strategic investments announced by us;

developments in the financial markets;

general economic, political or stock market conditions.

In addition, our future stock price may fluctuate in ways unrelated or disproportionate to our operating performance. General economic, political and stock market conditions that may affect the market price of our

common stock are beyond our control. The market price of our common stock at any particular time may not remain the market price in the future. In the past, securities class action litigation has been instituted against companies following periods of volatility in the market price of their securities. Any such litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources.

WE INCUR SIGNIFICANT EXPENSES AS A RESULT OF THE SARBANES-OXLEY ACT OF 2002, WHICH EXPENSES MAY CONTINUE TO NEGATIVELY IMPACT OUR FINANCIAL PERFORMANCE.

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. Compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as discussed in the following risk factor, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly.

OUR INTERNAL CONTROLS OVER FINANCIAL REPORTING MAY NOT BE CONSIDERED EFFECTIVE IN THE FUTURE, WHICH CONCLUSION COULD RESULT IN A LOSS OF INVESTOR CONFIDENCE IN OUR FINANCIAL REPORTS AND IN TURN HAVE AN ADVERSE AFFECT ON SHAREHOLDER PERCEPTION.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to continue to assert that our internal controls are effective, our shareholders could lose confidence in the accuracy and completeness of our financial reports, which in turn could have an adverse affect on shareholder perception.

THE COMPANY DOES NOT PAY DIVIDENDS.

The Company does not pay dividends. We have not paid any dividends since inception and have no intention of paying any dividends in the foreseeable future. Any future dividends would be at the discretion of our board of directors and would depend on, among other things, future earnings, our operating and financial condition, our

capital requirements, and general business conditions. Therefore, shareholders should not expect any type of cash flow from their investment.

21

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

Removed and reserved

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 24 of this Form 10-Q, and are incorporated herein by this reference.

22

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Asia8, Inc.

Date

/s/ Eric Montandon

May 13, 2012

By: Eric Montandon

Its: Chief Executive Officer, Chief Financial Officer,

Principal Accounting Officer and Director

23

INDEX TO EXHIBITS

Exhibit

Description

3(i)(a)*

Articles of Incorporation dated September 23, 1996 (incorporated by reference to the Form 10-12G filed with the Commission on October 20, 1999).

3(i)(b)*

Amended Articles of Incorporation dated July 9, 1999 (incorporated by reference from Form 10-QSB filed with the Commission on October 20, 1999).

3(i)(c)*

Amended Articles of Incorporation dated December 22, 1999 (incorporated by reference from Form 10-QSB filed with the Commission on May 15, 2007).

3(i)(d)*

Amended Articles of Incorporation dated April 20, 2007 (incorporated by reference from Form 10-QSB filed with the Commission on May 15, 2007).

3(ii)(a)*

Bylaws dated May 6, 1999 (incorporated by reference Form 10-12G filed with the Commission on October 20, 1999).

3(ii)(b)*

Amended Bylaws dated January 22, 2007 (incorporated by reference to the Form 8-K filed with the Commission on January 29, 2007).

10(i)*

Share Purchase Agreement dated June 2000 between the Company (formerly Asia4Sale.com, Inc.) and World Wide Auctioneers, Inc. (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

10(ii)*

Edgar Filing: ASIA8, INC. - Form 10-Q

Unic Distribution Agreement dated May 1, 2007 between the Company and Peter Prescott (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

10(iii)*

Atomix Distribution Agreement dated May 1, 2007 between the Company and Peter Prescott (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

14*

Code of Ethics (Code of Conduct) (incorporated by reference to the Form 8-K filed with the Commission on October 3, 2007).

21*

Subsidiaries of the Company (incorporated by reference to the Form 10-K filed with the Commission on April 16, 2012).

31

Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (attached).

32

Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (attached).

101. INS

XBRL Instance Document

101. PRE

XBRL Taxonomy Extension Presentation Linkbase

101. LAB

XBRL Taxonomy Extension Label Linkbase

101. DEF

XBRL Taxonomy Extension Label Linkbase

101. CAL

XBRL Taxonomy Extension Label Linkbase

101. SCH

XBRL Taxonomy Extension Schema

*

Incorporated by reference from previous filings of the Company.

Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed

furnished and not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, or deemed furnished and not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections.

24

