

ASIA8, INC.
Form 10-Q
August 20, 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 **June 30, 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 August 15, 2012, was 30,692,727.

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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.

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ASIA8, Inc.

Consolidated Balance Sheets

Unaudited

Audited

June 30, 2012

December 31, 2011

ASSETS

CURRENT ASSETS

Cash

\$

1,545 \$

391

Other current assets

7,594

5,094

Total Current Assets

9,139

5,485

FIXED ASSETS, Net

-

-

OTHER ASSETS

Investments

42,360

214,380

Total Other Assets

42,360

214,380

TOTAL ASSETS

\$

51,499 \$

219,865

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses

\$

3,000 \$

286,884

Total Current Liabilities

3,000

286,884

TOTAL LIABILITIES

3,000

286,884

STOCKHOLDERS' EQUITY

Preferred stock: 25,000,000 shares authorized;

\$0.001 par value; 0 and 2,800 shares

-

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issued and outstanding, respectively

Common stock: 100,000,000 shares authorized;

\$0.001 par value; 29,654,727 and 24,156,078 shares

issued and outstanding, respectively

29,654

24,411

Additional paid-in capital

3,763,249

3,621,210

Accumulated deficit

(3,744,405)

(3,712,641)

Total Stockholders' Equity

48,499

(67,018)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$

51,499 \$

219,865

The accompanying notes are an integral part of these financial statements

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Asia 8 Inc

Consolidated Statements of Operations

Three months ended June 30

Six months ended June 30

Unaudited

Unaudited

Unaudited

Unaudited

2012

2011

2012

2011

REVENUES

\$

- \$

-

\$

-

\$

-

COST OF GOODS SOLD

-

-

-

-

GROSS PROFIT

-
-
-
-

OPERATING EXPENSES :

General and administrative

43,514

23,639

61,164

43,940

Depreciation and amortization

-
-
-
-

TOTAL OPERATING EXPENSES

43,514

23,639

61,164

43,940

LOSS FROM OPERATIONS

(43,514)

(23,639)

(61,164)

(43,940)

OTHER INCOME (EXPENSES)

Other income

16,500

-

16,500

-

Preferred stock dividend

-

(5,130)

(5,130)

(10,260)

Interest income

2

-

2

-

Income from equity investment

47,050

(680,030)

18,028

(681,915)

TOTAL OTHER INCOME (EXPENSES)

63,552

(685,160)

29,400

(692,175)

NET INCOME (LOSS)

20,039

(708,800)

(31,764)

(736,115)

BASIC INCOME (LOSS) PER SHARE

(0.00)

(0.03)

(0.00)

(0.03)

FULLY DILUTED INCOME (LOSS) PER SHARE

(0.00)

(0.03)

(0.00)

(0.03)

BASIC WEIGHTED AVERAGE NUMBER OF

SHARES OUTSTANDING

30,692,727

24,156,078

29,654,727

24,156,078

FULLY DILUTED WEIGHTED AVERAGE

NUMBER OF SHARES OUTSTANDING

27,517,530

24,156,078

25,964,445

24,156,078

The accompanying notes are an integral part of these financial statements

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Asia 8, Inc.

Statement of Cash Flows

For The Six Months

For The Six Months

Ended June 30,

Ended June 30,

2012

2011

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)

\$

(31,764) \$

(736,115)

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

(18,028)

681,915

Changes in operating assets and liabilities

(Increase) decrease in receivables

-

-

(Increase) decrease in other current assets

(2,500)

(1,500)

Increase (decrease) in accounts payable and

accrued expenses

(197,890)

17,441

Net Cash Used in Operating Activities

\$

(250,182)

(38,259)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments

81,000

-

Debt settlement by issuance of equity investment

109,048

-

Net Cash Provided by (Used in)

Investing Activities

\$

190,048

-

CASH FLOWS FROM FINANCING ACTIVITIES

Common and preferred stock issued for cash/debt

147,280

-

Increase(decrease) in note payable

(85,994)

2,366

Net Cash Provided by Financing Activities

\$

61,286

2,366

NET INCREASE (DECREASE) IN CASH

\$

1,153

(35,893)

CASH AT BEGINNING OF PERIOD

\$

391

35,066

CASH AT END OF PERIOD

\$

1,545

(827)

The accompanying notes are an integral part of these financial statements

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ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

June 30, 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 accounted 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 March 26, 2012, the Company sold 3,240,000 shares from its investment in WWA Group at a price of \$0.025 per share, for a net amount of \$81,000. On May 20, 2012 the Company divested itself of an additional 2,412,408 shares of WWA Group to settle a net amount of \$109,048 in debt. At June 30, 2012 the Company did not own substantial shareholding in WWA Group and therefore did not record its share in the profit and loss of WWA Group for the period ended June 30, 2012.

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.

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ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

June 30, 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 and six months ended June 30, 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 June 30, 2012

Income

Shares

Per-Share

(Numerator)

(Denominator)

Amount

\$

20,039

29,654,727

\$ (0.00)

For the Three Months Ended June 30, 2011

Income

Shares

Per Share

(Numerator)

(Denominator)

Amount

\$

(708,800)

24,156,078 \$

(0.03)

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.

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ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

June 30, 2012

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES, Continued

c. Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11, Disclosures about Offsetting Assets and Liabilities, which will require disclosures for entities with financial instruments and derivatives that are either offset on the balance sheet in accordance with ASC 210-20-45 or ASC 815-10-45, or are subject to a master netting arrangement. ASU No. 2011-11 is effective for interim and annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of the adoption of ASU 2011-11 on its financial position, results of operations, and disclosures.

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.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the financial statements of

The Company.

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. At December 31, 2011 the Company owned 32% of the issued and outstanding shares 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. At April 15, 2012 the Company divested itself of 2,412,408 shares out of its investment in WWA Group shares to settle \$109,049 in various debts. As a result the Company does not own a substantial shareholding in WWA Group and therefore no longer records its share in the profit and loss of WWA Group for the period ended June 30, 2012.

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ASIA8, INC.

Notes to the Condensed Financial Statements (Unaudited)

June 30, 2012

NOTE 5- EQUITY TRANSACTIONS

In 2012, the Company issued 4,152,000 shares of common stock to retire 2,280 preferred shares series 1 comprised of \$228,000 in principal and \$83,400 in interest valued at \$0.075 a share. Further the Company issued 2,129,367 shares of common stock by converting notes payable and other payables into equity at \$0.03 per share.

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. Further, the Company issued 1,280 shares of preferred stock for cash at \$100 per share.

In 2007, the Company issued 1,000 shares of preferred stock at \$100 per share. Each share of preferred stock was convertible to 400 shares of common stock. The Series 1 preferred shares had 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 do not include any Notes Payable to related party.

NOTE 9 SUBSEQUENT EVENTS

The Company evaluated its June 30, 2012 financial statements for subsequent events through the date the financial statements were issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

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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 June 30, 2012. Our fiscal year end is December 31.

Discussion and Analysis

General

The Company's current focus is to work towards our acquisition of Emerging Market Property Advisors Ltd. (EMP). On May 16, 2012 our board of directors caused us to enter into a Share Exchange Agreement to acquire all of the issued and outstanding shares of EMP in exchange for a forty nine percent (49%) interest in the Company's common stock. The transaction is subject to shareholder approval and requires us to obtain audited financial statements for EMP, which accounts are currently in process. EMP is involved in the internet marketing of a wide range of international real estate investment opportunities through lead generation, email marketing campaigns and property showings to buyers around the world. Sellers are also offered assistance with corporate identity, web development and enhanced graphics to build awareness of the opportunities presented.

Despite the decrease in our equity interest in WWA Group Inc. (WWA Group) and its agreement to be acquired by Summit Digital, Inc., we continue to work with WWA Group and Infrastructure Development Corporation (Infrastructure) 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.

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

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 business support to WWA Group as necessary to help grow the value of our remaining equity interest, and to provide us opportunities generated by WWA Group.

Infrastructure

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Even though WWA Group no longer maintains a consolidated equity interest in Infrastructure, we continue to believe that despite competitive pricing pressures, a significant number of projects will 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 Infrastructure shares common management with the Company 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. We expect to continue to 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 has signed a Share Exchange Agreement to acquire EMP, 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 the Company will acquire EMP as a wholly owned subsidiary that will continue to operate as an autonomous unit. We expect to close the transaction in the 3rd 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 June 30, 2012, the Company failed to realize revenues from the sale of its products, 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

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Revenue for the three and six month periods ended June 30, 2012 and June 30, 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, a broadening of Infrastructure's business which we expect will create an in house demand for Wing Houses and the acquisition of EMP.

Operating Expenses

Operating expenses for the three month period ended June 30, 2012, were \$43,514 as compared to \$23,639 for the three month period ended June 30, 2011. Operating expenses for the six month period ended June 30, 2012 were \$61,164 as compared to \$43,940 for the six month period ended June 30, 2011.

The increase in expenses over the comparative three and six month periods can be attributed to an increase in general and administrative expenses. We expect that operating expenses will increase as we move forward with our acquisition of EMP.

Depreciation and amortization expenses for the three and six month periods ended June 30, 2012 and June 30, 2011 were \$0. Depreciation and amortization expenses are not anticipated in future periods.

Other Income (Expenses)

Other income for the three month period ended June 30, 2012, was \$63,552 as compared to other expenses of \$685,160 for the three month period ended June 30, 2011. Other income for the six month period ended June 30, 2012 were \$29,400 as compared to other expenses of \$692,175 for the six month period ended June 30, 2011. The transition to other income from other expenses in the current periods can be primarily attributed to the losses recognized in the prior comparative periods from our equity investment in WWA Group. We expect to continue to recognize other income in future periods as we manage our investments.

Net Income (Losses)

Net income for the three month period ended June 30, 2012, were \$20,039 as compared to a net loss of \$708,800 for the three month period ended June 30, 2011. Net losses for the six month period ended June 30, 2012 were \$31,764 as compared to \$736,115 for the six month period ended June 30, 2011. The

transition to net income from net loss and the decrease in net losses in the current three and six month periods respectively can be attributed to the exclusion of losses recognized in the prior comparative periods from our equity investment in WWA Group. Further, the transition can be attributed to income from our equity investment due to the divestiture of some portion of our equity investment through debt settlements. Nonetheless, we expect to continue to realize net losses until such time as our operations produce revenue.

Capital Expenditures

The Company did not spend any significant amounts on capital expenditures during the three and six month periods ended June 30, 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 June 30, 2012, the Company had a working capital surplus of \$6,139. Our current assets were \$9,139 consisting of \$1,545 in cash, and \$7,594 in other current assets. Our total assets were \$51,499 consisting of current assets and our equity investments totaling \$42,360. At June 30, 2012, our current and total liabilities were \$3,000 which consisted of accounts payable and accrued expenses.

Cash flow used in operating activities for the six month period ended June 30, 2012, was \$250,182 as compared to cash flow used in operating activities of \$38,259 for the six month period ended June 30, 2011. The change in cash flow used in operating activities in the current six month period can be primarily attributed to the decrease in net losses, accounts payable and accrued expenses. We expect that cash flow used in operating activities will continue to decrease as net losses decrease.

Cash flow provided by investing activities for the six month periods ended June 30, 2012 and June 30, 2011, was \$190,048 and \$0 respectively. Cash flow provided by investing activities in the period ended June 30, 2012 can be attributed to the sale of a portion of the Company's interest in WWA Group and the divestiture of a portion of the Company's interest in WWA Group as a result of debt settlements. We expect cash flow to be provided by investing activities in future periods as the Company may determine to liquidate its remaining equity interest in WWA Group.

Cash flow provided in financing activities for the period ended June 30, 2012, was \$61,286 as compared to \$2,366 in cash flow provided financing activities for the period ended June 30, 2011. Cash flow provided by financing activities in the current period can be attributed to the issuance of common shares for debt offset by 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'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 marketing efforts for our Wing Houses and to integrate the operations of EMP into our own. 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 June 30, 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.

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 \$3,744,405 as of June 30, 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 prospectively from the operations of EMP. 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

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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 June 30, 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 June 30, 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.

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 June 30, 2012, the Company had a working capital surplus of \$6,139 which amount is insufficient to continue operations. We will have to obtain additional working capital from debt or equity placements to continue operations for which we have no commitments. Should we be unable to secure capital, such condition would cause us to reduce operations 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.

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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. 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.

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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 EFFECT ON SHAREHOLDER PARTICIPATION.

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.

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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.

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

On May 16, 2012 the Company authorized the issuance of 4,152,000 shares of restricted common stock to Nine 2005 Holdings, Ltd. in order to retire 2,280 preferred shares series 1 valued at \$228,000 in principal and \$83,400 in interest or \$0.075 a share in reliance upon the exemptions from registration provided by Section 4(2) and Regulation S of the Securities Act of 1933, as amended (Securities Act).

The Company complied with the exemption requirements of Section 4(2) of the Securities Act based on the following factors: (1) the issuance was a isolated private transaction by the Company which did not involve a public offering; (2) the offeree had access to the kind of information which registration would disclose; and (3) the offeree is financially sophisticated.

The Company complied with the exemption requirements of Regulation S by having directed no offering efforts in the United States, by offering common shares only to an offeree who was outside the United States at the time of the offering, and ensuring that the offeree to whom the restricted common shares were offered and authorized was a non-U.S. offeree with an address in a foreign country

On May 20, 2012 the Company authorized the issuance of 2,129,367 restricted common shares pursuant to certain debt settlement agreements valued at \$0.03 a share in reliance upon the exemptions from registration provided by Section 4(2) , Regulation D and Regulation S of the Securities Act of 1933, as amended (Securities Act) as follows:

Name

Consideration

Basis

Shares

Exemption

Eric Montandon

\$43,515

Debt Settlement 1,450,500

Sec. 4(2)/Reg D

Digamber Naswa

\$20,366

Debt Settlement

678,867

Sec. 4(2)/Reg S

The Company complied with the exemption requirements of Section 4(2) of the Securities Act based on the following factors: (1) the issuances were isolated private transactions by the Company which did not involve a public offering; (2) the offerees had access to the kind of information which registration would disclose; and (3) the offerees are financially sophisticated.

The Company complied with the requirements of Regulation D of the Securities Act by: (i) foregoing any general solicitation or advertising to market the securities; (ii) offering only to accredited offeree; (iii) having not violated antifraud prohibitions with the information provided to the offeree; (iv) being available to answer questions by the offeree; and (v) providing restricted common shares to the offeree.

The Company complied with the exemption requirements of Regulation S by having directed no offering efforts in the United States, by offering common shares only to offeree who was outside the United States at the time of the offering, and ensuring that the offeree to whom the restricted common shares were offered and authorized were non-U.S. offeree with addresses in a foreign country.

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ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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.

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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

August 16, 2012

By: Eric Montandon

Its: Chief Executive Officer, Chief Financial Officer,

Principal Accounting Officer and Director

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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)*

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).

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

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

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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).

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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.

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