ASIA8, INC.
Form 10-Q
May 13, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

þ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **March 31, 2011**.

o 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 incorporation or organization)	(I.R.S. Employer Identification No.)

404 W. Powell Lane, Suite 303-304, Austin, Texas 78753

(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 þ No o.

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 o No o

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 o Accelerated filer o Non-accelerated filer o Smaller reporting company þ

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

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, 2011, was 24,411,360.

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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.

ASIA8, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2011 (Unaudited)		December 31, 2010*	
ASSETS				
CURRENT ASSETS				
Cash	$	4,769	$	35,066
Other current assets		5,094		3,594
Total Current Assets		9,863		38,660
FIXED ASSETS, Net		-		-
OTHER ASSETS				
Investments		1,666,219		1,668,104
Total Other Assets		1,666,219		1,668,104
TOTAL ASSETS	$	1,676,082	$	1,706,764
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$	247,369	$	250,735
Total Current Liabilities		247,369		250,735
TOTAL LIABILITIES		247,369		250,735
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		(2,216,910)		(2,189,594)
Total Stockholders' Equity		1,428,713		1,456,029
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	1,676,082	$	1,706,764

* The Balance Sheet as of December 31, 2010 has been derived from the audited financial statements at that date.

The accompanying notes are an integral part of these financial statements

ASIA8, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
REVENUES	$ -	$ -
COST OF GOODS SOLD	-	-
GROSS PROFIT	-	-
OPERATING EXPENSES		
Depreciation and amortization	-	239
General and administrative	20,301	12,054
Total Operating Expenses	20,301	12,293
LOSS FROM OPERATIONS	(20,301)	(12,293)
OTHER INCOME (EXPENSES)		
Preferred stock dividend	(5,130)	(5,130)
Loss from equity investment	(1,885)	(407,170)
Total Other Expenses	(7,015)	(412,300)
NET LOSS	$ (27,316)	$ (424,593)
BASIC LOSS PER SHARE	$ (0.00)	$ (0.02)
FULLY DILUTED LOSS PER SHARE	(0.00)	(0.02)
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	24,411,360	24,411,360
FULLY DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	24,411,360	24,411,360

The accompanying notes are an integral part of these financial statements

ASIA8, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (27,316)	$ (424,593)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	-	239
(Gain) Loss on disposition of assets	-	-
(Gain) Loss on equity investments	1,885	407,170
Loss on Investments	-	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	-	-
(Increase) decrease in other current assets	(1,500)	(594)
Increase (decrease) in accounts payable and accrued expenses	11,268	22,880
Net Cash Provided by (Used in) Operating Activities	(15,663)	5,102
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed assets	-	-
Net Cash Provided by (Used in) Investing Activities	-	-
CASH FLOWS FROM FINIANCING ACTIVITIES		
Common and preferred stock issued for cash/debt	-	-
Increase(decrease) in note payable	(14,634)	-
Net Cash Used In Financing Activities	(14,634)	-
NET INCREASE (DECREASE) IN CASH	(30,297)	5,102
CASH AT BEGINNING OF PERIOD	35,066	2,510

CASH AT END OF PERIOD	$	4,769	$	7,613

The accompanying notes are an integral part of these financial statements

ASIA8, INC.
Notes to the Financial Statements

March 31, 2011

NOTE 1 - ORGANIZATION AND HISTORY

Asia8, Inc. 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) in which it currently holds an unconsolidated 17.75% equity position.

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.

ASIA8, INC.
Notes to the Financial Statements

March 31, 2011

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, 2010. 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, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011 or any future period.

b. Basic Loss per Share

For the Three Months Ended March 31, 2011

Income (Numerator)	Shares (Denominator)	Per-Share Amount
$ (27,316)	24,411,360	$ (0.00)

For the Three Months Ended March 31, 2010

Income (Numerator)	Shares (Denominator)	Per Share Amount
$ (424,593)	24,411,360	$ (0.02)

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.

ASIA8, INC.
Notes to the Financial Statements

March 31, 2011

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES, Continued

c. Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued amended standards that require additional fair value disclosures. These amended standards require disclosures about inputs and valuation techniques used to measure fair value, as well as disclosures about significant transfers, beginning in the first quarter of 2010. Additionally, these amended standards require presentation of

disaggregated activity within the reconciliation for fair value measurements using significant unobservable inputs (Level 3), beginning in the first quarter of 2011.

In December 2010, the FASB updated its guidance related to when to perform step two of the goodwill impairment test for reporting units with zero or negative carrying amounts. The updated guidance requires that for any reporting unit with a zero or negative carrying amount, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that impairment may exist. The updated guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The Company s adoption did not have a material impact on its consolidated results of operations or financial condition.

In December 2010, the FASB updated its guidance related to disclosure of supplementary pro forma information for business combinations. The updated guidance requires that if comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period only. The updated guidance is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010, with early adoption permitted. The Company s adoption did not have an impact on its consolidated results of operations or financial condition as the updated guidance only affects disclosures related to future business combinations.

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 March 31, 2011, the Company owned 32% of the issued and outstanding WWA Group common stock.

ASIA8, INC.
Notes to the Financial Statements

March 31, 2011

NOTE 4- EQUITY INVESTMENT, Continued

Condensed financial information of WWA Group:

	As at March 31, 2011	2010
Cash	$ 3,820	$ 3,047,708
Receivables	0	1,218,980
Other current assets	3,196,838	9,834,940
Fixed assets	0	6,622,108
Other assets	1,219,219	1,527,999
Total Assets	$ 4,419,877	$ 22,251,735
Auction payables	$ 0	$ 1,582,056
Other current liabilities	105,039	15,224,106
Long-term debt	0	724,529
Common stock	22,592	22,592
Additional paid-in capital	4,449,080	4,449,080
Retained earnings	(156,834)	249,372
Total Liabilities and Stockholders' Equity	$ 4,419,877	$ 22,251,735

Condensed financial information of WWA Group:

	For the three months Ended March 31, 2011	2010

Net revenues	$ 0	$ 5,802,080
Direct costs	(0)	(5,374,343)
Operating expenses	(5,832)	(1,305,365)
Other income (expense)	(2)	(382,570)
Income taxes	-	-
Net Income (Loss)	$ (5,834)	$ (1,260,198)

ASIA8, INC.
Notes to the Financial Statements

March 31, 2011

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 common 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, 2010. 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 SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through May 13, 2011, and determined there are no events to disclose.

NOTE 9 ACCOUNTS PAYABLE TO RELATED PARTY

Accounts Payable and Accrued Expenses include $34,000 of Notes Payable to related party. The notes bear no interest and are payable on demand.

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-loo 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, 2011. Our fiscal year end is December 31.

Discussion and Analysis

General

The Company s current focus is to (i) work with WWA Group, Inc. (WWA Group), an unconsolidated entity in which we it holds a 32% interest as a means to generate a return on investment, and (ii) coordinate with Infrastructure Developments Corp. (Infrastructure) to distribute Wing House mobile shelter systems. We anticipate that we will require additional capital to market our business and recognize that the recent 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.

WWA Group

We invested in World Wide Auctioneers, Ltd. (World Wide) in 2000, anticipating potential future value appreciation in that investment, and possible synergies with our management s experience in Asian product sourcing and World Wide s core auction and selling business. World Wide s auctions have developed a significant customer base and have achieved consistent revenue and profits that have lead to a dominant market share in Dubai, its primary operating market. In 2003, the Company sold 100% of its investment in World Wide to WWA Group for shares of WWA Group. WWA Group sold World Wide to Seven International Holdings, Ltd., on October 31, 2010.

Since the relationship between the Company and WWA Group is one of common 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.

The value of our investment in WWA Group has depreciated over time though we believe that it may appreciate in the future. We also believe that our relationships with WWA Group, World Wide, and Infrastructure combined with our access to their selling channels will assist us in the marketing of Wing Houses.

Wing House Mobile Shelters

We are displaying and using Wing House office units in World Wide s auction yard in Dubai, UAE and are actively marketing the unit to the thousands of visitors to the yard each year. 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 is tendering and winning various 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.

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.

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. We have no commitments for additional debt or equity financing at this time.

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, 2011, 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 still in demand, and that a global economic recovery in 2010 alongside the efforts of Infrastructure will generate sales of Wing Houses.

Revenue

Revenue for the three month periods ended March 31, 2011 and March 31, 2010 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, 2011, were $20,301 as compared to $12,293 for the three month period ended March 31, 2010. The increase in expenses over the comparative periods can be attributed to an increase 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, 2011 and March 31, 2010 were $0 and $239 respectively. Depreciation and amortization expenses are expected to increase 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, 2011, were $7,015 as compared to $412,300 for the three month period ended March 31, 2010. Other expenses are attributed to the loss on equity investments tied to our interest in WWA Group and a preferred stock divided. 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, 2011, were $27,316 as compared to $424,593 for the three month period ended March 31, 2010. The decrease in net losses in the current period can be attributed to a decrease 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, 2011.

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, 2011, the Company had a working capital deficit of $237,506. Our current assets were $9,863 consisting of $4,769 in cash and $5,094 in other assets. Our total assets were $1,667,082 consisting of our current assets and our equity investments totaling $1,666,219. At March 31, 2011, our current and total liabilities were $247,369.

Cash flow used in operating activities for the period ended March 31, 2011, was $15,663 as compared to cash flow provided by operating activities of $5,102 for the period ended March 31, 2010. Cash flow used in operating activities in the current period can be attributed to net losses and an increase in current assets. 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 periods ended March 31, 2011 and March 31, 2010, was $0. We expect to use cash flow in investing periods in future periods as capital becomes available to expand our marketing operations.

Cash flow used in financing activities for the period ended March 31, 2011, was $14,634 as compared to $0 for the period ended March 31, 2010. 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 continue 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 on May 13, 2011 of $156,950. 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

Off Balance Sheet Arrangements

As of March 31, 2011, 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, 2010 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 $2,189,594 as of December 31, 2010 which increased to $2,216,910 as of March 31, 2011. 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; (ii) realizing revenues from the sale of Wing Houses or additional business opportunities; and (iii) obtaining loans and grants from financial or government institutions. 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)). 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 that 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 Control over Financial Reporting

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended March 31, 2011, that materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On August 5, 2009 WWA Group received a Pre-Penalty Notice (Notice) from the Office of Foreign Assets Control (OFAC). The Notice was issued based on OFAC s belief that WWA Group has engaged in certain transactions prohibited by Executive Order(s) and or Regulations promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.* in connection with the facilitation of auction related services to Iran and Sudan. The perceived violations have caused OFAC to propose a civil monetary penalty of $4,665,600 be imposed on WWA Group subject to adjustment based on evidence presented in response to the Notice. The Notice process permits us to contact OFAC by telephone to initiate settlement discussions or otherwise provide a written response to the perceived violations within the permitted 30 day notice period prior to the issuance of a Penalty Notice. WWA Group has provided a written response to OFAC that presents evidence to negate the perception that it has operated in contravention of the laws of the U.S. WWA Group remains in discussions with OFAC.

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

We account for equity instruments issued in exchange for the receipt ofgoods or services from other than employee

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

As of March 31, 2011, the Company had a working capital deficit of $237,506. We will have to obtain additional working capital from debt or equity placements to effectively continue operations. Although, we have a commitment for the provision of additional working capital, this commitment may prove to be insufficient. Should we be unable to secure additional 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 intends to continue to generate revenue from the sale of mobile shelters and may attempt to generate revenue from cranes in the future. As such, market acceptance of our products is critical. If our prospective customers do not accept or purchase these products, then our revenue, cash flow and/or operating results will be negatively impacted.

WE COMPETE WITH LARGER AND BETTER-FINANCED CORPORATIONS

Competition within the international market for mobile shelters and construction cranes 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 construction cranes and 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 these respective manufacturers, 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 the Company s performance.

OUR CHIEF EXECUTIVE OFFICER WILL NOT BE ABLE TO OFFER HIS UNDIVIDED ATTENTION TO THE COMPANY DUE TO HIS DUAL 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. His responsibilities cause him to divide his time, the majority of which is dedicated to the management and operation of WWA Group. The division of time however does not necessarily indicate a division of interests as the Company owns approximately 32% of the outstanding shares of WWA Group. Nonetheless, his dual responsibilities may compromise the Company s ability to successfully conduct its business operations.

THE COMPANY S SUCCESS DEPENDS ON OUR ABILITY TO RETAIN KEY PERSONNEL

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The Company s future success will depend substantially on the continued services and performance of Eric Montandon in addition to the engagement of other key personnel 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. 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.

SALES OF EQUIPMENT FROM WWA GROUP S AUCTIONS MAY HAVE ULTIMATELY ENDED UP IN IRAN, SUDAN OR SYRIA.

Due to the proximity of Iran, Sudan and Syria to WWA Group s auction site, sales records, and statistics on regional spending for used construction equipment, there is reason to believe that some percentage of the equipment sold at WWA Group s auctions prior to May 2007 may have ultimately ended up in Iran, Sudan or Syria. Although WWA Group has never sold equipment to Iran, Sudan or Syria, countries which the U.S. State Department and OFAC have identified as state sponsors of terrorism, and WWA Group has never made any effort to attract consignors or bidders from any country recognized as a state sponsor of terrorism, it is possible that some small percentage of equipment purchased at the auctions was sold to persons or entities that re-exported such equipment to these countries, particularly to Iran.

WWA Group does not believe that the small percentage of sales in question has had any impact on operations, reputation or on shareholder value. However, despite the fact that WWA Group has no knowledge of delivery of equipment purchased at its auctions to Iran, Sudan or Syria, OFAC has proposed that a fine of $4,665,600 be imposed on WWA Group. Although WWA group is in the process of negating the basis for the proposed fine the imposition of such a penalty would have a negative on WWA Group s reputation and could diminish WWA Group s ability to continue as a going concern.

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 could result in a loss of investor confidence in our financial reports and negative 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.

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

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

We account for equity instruments issued in exchange for the receipt ofgoods or services from other than employee

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.

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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	May 13, 2011

By: Eric Montandon

Its: Chief Executive Officer, Chief Financial Officer,

Principal Accounting Officer and Director

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 Asia8, Inc. (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 Asia8, Inc. 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 Asia8, Inc. 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 14, 2011).
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).

We account for equity instruments issued in exchange for the receipt ofgoods or services from other than employee

* Incorporated by reference to previous filings of the Company.

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We account for equity instruments issued in exchange for the receipt ofgoods or services from other than employee