SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Fourth Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current Period 31-Dec-10 RM'000	Preceding Period 31-Dec-09 RM'000	Current Period 31-Dec-10 RM'000	Preceding Period 31-Dec-09 RM'000
Revenue	365,470	317,748	1,406,754	1,280,293
Cost of sales	(362,148)	(318,618)	(1,380,605)	(1,275,720)
Gross profit	3,322	(870)	26,149	4,573
Other income	222	238	895	1,022
Operating expenses	(525)	(1,789)	(20,638)	(26,457)
	(303)	(1,551)	(19,743)	(25,435)
Profit/(Loss) before tax	3,019	(2,421)	6,406	(20,862)
Taxation	-	227	-	227
Profit/(Loss) for the period	3,019	(2,194)	6,406	(20,635)
Other comprehensive income/(loss):				
Exchange difference arising from translation of foreign operations	6,750	(10,599)	(43,927)	(9,665)
Total comprehensive income/(loss) for the period	9,769	(12,793)	(37,521)	(30,300)
Profit/(loss) attributable to equity holders of the Company	3,019	(2,194)	6,406	(20,635)
Total comprehensive income/(loss) attributable to equity holder of the Company	9,769	(12,793)	(37,521)	(30,300)
Earnings/(loss) per share (sen)				
- basic (sen)	0.27	(0.20)	0.57	(1.84)
- fully diluted (sen)	n/a	n/a	n/a	n/a

SINO HUA-AN INTERNATIONAL BERHAD
(Company No.: 732227-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010
- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31-Dec-10 RM'000	Audited as at 31-Dec-09 RM'000
Non Current Assets		
Land lease payment - long-term	27,931	30,910
Property, plant and equipment	421,132	475,582
Goodwill	107,436	107,625
	556,499	614,117
Current Assets		
Land lease payment - short-term	817	867
Inventories	132,127	77,406
Trade receivables	13,921	18,358
Other receivables, deposits and prepayments	44,441	37,883
Amount due from related parties	51,529	40,574
Tax recoverable	14,916	13,661
Bank balances and cash	22,274	24,442
	280,025	213,191
Total Assets	836,524	827,308
Shareholders' Fund		
Share capital	561,154	561,154
Reserves	134,854	172,375
	696,008	733,529
Current Liabilities		
Trade payables	115,199	72,375
Other payables and accrued expenses	23,518	13,085
Amount due to related parties	1,799	8,319
	140,516	93,779
Total Equity and Liabilities	836,524	827,308
Net assets per share (RM)	0.62	0.65

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<---------------------- Non-distributable reserves ---------------------->					***Distributable reserve***	
	Share capital RM'000	**Share premium RM'000**	**Statutory common reserve funds RM'000**	**Reverse acquisition reserve RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
<u>12 months ended 31 December 2009</u>							
Balance as of January 1, 2009	561,154	553,891	49,358	(799,823)	82,601	316,648	763,829
Total comprehensive loss	-	-	-	-	(9,665)	(20,635)	(30,300)
Balance as of December 31, 2009	561,154	553,891	49,358	(799,823)	72,936	296,013	733,529
<u>12 months ended 31 December 2010</u>							
Balance as of January 1, 2010	561,154	553,891	49,358	(799,823)	72,936	296,013	733,529
Total comprehensive loss	-	-	-	-	(43,927)	6,406	(37,521)
Balance as of December 31, 2010	561,154	553,891	49,358	(799,823)	29,009	302,419	696,008

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Current year to date 31-Dec-10 RM'000	Preceding year to date 31-Dec-09 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the period	6,406	(20,862)
Adjustments for:		
Depreciation of property, plant and equipment	36,368	37,915
Amortisation of lease payments	834	891
Allowances / (Write back) for doubtful debts	53	(543)
Interest income	(172)	(205)
Asset written off	494	2,704
Operating profit before working capital changes	43,983	19,900
(Increase) / Decrease in:		
Inventories	(62,738)	(30,545)
Trade receivables	2,483	71,802
Other receivables, deposits and prepayments	(10,475)	(11,414)
Amount due by/to related parties	(20,815)	26,379
Increase / (Decrease) in:		
Trade payables	50,320	(21,215)
Other payables and accrued expenses	11,775	5,654
Forex reserve	3,029	308
Cash generated from operations	17,562	60,869
Tax paid	(2,670)	(2,959)
Net cash from operating activities	14,892	57,910
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(14,746)	(61,952)
Interest received	172	205
Net cash used in investing activities	(14,574)	(61,747)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Net cash used in financing activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	318	(3,837)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	24,442	28,754
Effect of changes in exchange rate	(2,486)	(475)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	22,274	24,442

The Condensed Consolidated Cash Flow Statement should be read in conjunction with accompanying explanatory notes attached to the interim financial statements.

A. EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2009. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2009.

The Directors of the Company anticipate that the application of the following new Financial Reporting Standards (“FRSs”), revised FRSs, Issues Committee (“IC”) Interpretations, amendments to FRSs and IC Interpretations which are mandatory and will be effective for financial periods as stated below will have no material impact on the financial statements of the Group.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2009, except for the adoption of the following Financial Reporting Standards ("FRSs"), amendments to FRSs and Issues Committee Interpretations (“IC Interpretations”) with effect from 1 January 2010:-

		Effective date for financial periods beginning on or after
FRS 8	Operating Segments	1 July 2009
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement (revised)	1 January 2010
Amendments to FRS 2	Share-based Payment -Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010

		Effective date for financial periods beginning on or after
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	1 January 2010
Amendments to FRS 1: First-time Adoption Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements- Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate		1 January 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments - Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives		1 January 2010
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"		1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation - paragraphs 95A, 97AA and 97AB - paragraphs 11,16 and 97E	 1 January 2010 1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010

		Effective date for financial periods beginning on or after
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives		1 July 2010

As at 31 December 2010, the following IC Interpretations and amendments to FRSs, were in issue but not yet effective and have not been applied by the Group:-

IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures of First-time Adopters	1 January 2011
	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transaction	1 January 2011
IC Interpretation 4	Determining whether an Arrangement Contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"		1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement		1 July 2011
FRS 124	Related Party Disclosures (revised)	1 January 2012

A2. Audit report

The auditors' report on the audited financial statements for the year ended 31 December 2009 was not qualified.

A3. Seasonal or cyclical factors

The operations of the Group generally move in tandem with the performance of the steel industry and the overall economic landscape.

A4. Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the quarter under review.

A6. Issuance, cancellations, repurchases, resale and repayments of debts and equity securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review.

A7. Dividends paid

There was no dividend paid during the quarter under review.

A8. Segmental information

Segment results by business activities

	Current quarter 31 December 2010		Current year to date 31 December 2010	
	Revenue	Profit/(Loss) before tax	Revenue	Profit/(Loss) before tax
	RM'000	RM'000	RM'000	RM'000
Manufacturing	365,470	3,543	1,406,754	8,318
Investment Holdings	-	(524)	-	(1,912)
	365,470	3,019	1,406,754	6,406

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the quarter under review.

A10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the quarter under review.

A11. Changes in the composition of the Group

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

A12. Changes in contingent liabilities or contingent assets

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

For the fourth quarter ended 31 December 2010, the Group recorded a consolidated revenue of approximately RM365.5 million. The cost of sales for the quarter under review amounted to approximately RM362.1 million.

The consolidated revenue for the current quarter under review which has increased by approximately 15% from RM317.7 million in the preceding year corresponding quarter to RM365.5 million was primarily attributable to the favourable upward trend experienced in the pricing of the metallurgical coke and an increase in sales volume. The average price of metallurgical coke saw an improvement of approximately 16% whilst sales volume grew by approximately 5% respectively during the current quarter compared with those in the preceding year corresponding quarter. Further nudging the Group's consolidated revenue forward are the continued favourable pricing of the by-products seen in the current quarter compared to those in the corresponding quarter in the preceding year. The average prices of ammonium sulphate, crude benzene, tar oil, coal slime and middlings during the current quarter under review have increased by approximately 37%, 16%, 32%, 34% and 33% respectively compared to the same quarter last year.

Following the increase in sales volume and an increase in the average price of raw material (i.e. coking coal) of approximately 21%, the cost of sales for the current quarter under review had risen to RM362.1 million compared to RM318.6 million recorded in the preceding year corresponding quarter, representing a hike of approximately 14%.

As a result of the better average prices of the metallurgical coke and its by-products and the growing sales volume, the Group has managed to turn around and record a gross profit of approximately RM3.3 million compared to a gross loss of approximately RM0.9 million recorded in the preceding year corresponding quarter. Consequently, the Group has registered a profit before tax of approximately RM3.0 million for the current quarter under review as compared to a loss of approximately RM2.4 million for the preceding year corresponding quarter.

B2. Variation of results against preceding quarter

The Group's consolidated revenue of approximately RM365.5 million registered during the current quarter under review represents an increase of approximately 12% from RM325.2 million in the preceding quarter ended 30 September 2010. The improvement in revenue was primarily attributed to the favourable average pricing of the metallurgical coke and of its by-products in comparison with those prices registered in the preceding quarter. The average prices for metallurgical coke, ammonium sulphate, crude benzene, tar oil, coal slimes and middlings during the current quarter under review were increased by 10%, 29%, 5%, 8%, 31% and 19% respectively.

Cost of sales in the current quarter has correspondingly increased to RM362.1 million from RM318.9 million recorded in the preceding quarter ended 30 September 2010, an increase of approximately 14%. This was due to the average coking coal price during the quarter under review being 13% higher than that of the preceding quarter.

As a result of the gradually improving industry circumstances stemming from better average prices for the metallurgical coke and the by-products, the Group recorded a profit for the current quarter of approximately RM3.0 million, signifying its continued profitable streak for the third consecutive quarters since the earlier quarter ended 30 June 2010.

B3. Current year prospects

The Group will continue to focus on its core business activity which is the manufacturing and trading of metallurgical coke and its by-products.

The favourable pricing seen in the steel industry in the recent period has created an opportunity for the price of metallurgical coke to also rise in tandem. In China, the restructuring of its population demographics and the urbanisation fervour by the Chinese Government will continue to demand more steel products from its massive infrastructure and social-economic developments. Coupled with the above domestic consumption of steel in China, the gradual restoration of the world economies and improving market sentiments in particular those in the Asia Pacific region will provide a further impetus to the steel industry as a whole. These are seen as catalysts for sustainable demand and better future prospects for the steel industry and thus the coke industry.

Barring any unforeseen circumstances or unanticipated turn of events, the Group continues to be optimistic to having improved financial results for the coming years.

B4. Variation on Forecast Profit / Profit Guarantee

Profit Forecast	: N/A
Profit Guarantee	: N/A

The Group did not issue any profit forecast nor profit guarantee during the current financial period to date.

B5. Taxation

No taxation was provided during the quarter under review.

B6. Sale of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties during the quarter under review.

B7. Quoted and marketable securities

There were no purchases or disposals of quoted and marketable securities during the quarter under review.

B8. Corporate proposals

There were no corporate proposals during the quarter under review.

B9. Borrowings

As at 31 December 2010, the Group has no borrowings.

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this quarterly report.

B11. Material litigation

As at the date of this report, the Group is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or the business of the Group.

B12. Dividends

The Board of Directors has proposed a final tax exempt dividend of RM2.0 million representing approximately 0.178 sen per share or 31.22% of net profit in respect of the financial year ended 31 December 2010. The said dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

B13. Earnings per share

	Individual quarter ended		**Cumulative period ended**	
	31 Dec 2010	**31 Dec 2009**	**31 Dec 2010**	**31 Dec 2009**
Basic earnings per share				
Profit/(loss) for the period attributable to equity holders (RM'000)	3,019	(2,194)	6,406	(20,635)
Number / Weighted average number of shares in issue ('000)	1,122,308	1,122,308	1,122,308	1,122,308
Basic earnings/(loss) per share (sen)	0.27	(0.20)	0.57	(1.84)

There are no diluted earnings per share as the Company does not have any share option in issue at the current quarter under review.

B14. Realised and Unrealised Profits/Losses Disclosure

	Current year to date 31 December 2010 RM'000
Retained profit of the Group and its subsidiaries	
- Realised	302,419
- Unrealised	(22,010)
	280,409
Less: Consolidation adjustment	22,010
Total retained earnings as per consolidated accounts	302,419

The disclosure of realised and unrealised profits/losses above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

By Order of the Board
Chua Siew Chuan
Secretary

25 February 2011