

STRICTLY PRIVATE AND CONFIDENTIAL

FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2007

A SYNERGY OF STRENGTH AND
EXCELLENCE

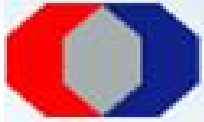


SINO HUA-AN INTERNATIONAL BHD



PRESENTATION OVERVIEW

- Financial Highlights for 1st Quarter Results
- Prospects for FYE 2007
- The Sino Hua-An Group — Company Overview

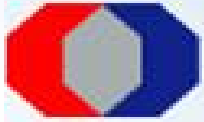


SALIENT RESULTS

- Turnover increase by 6 % in 1st Quarter 2007
- Gross Profit increased by 9% from RM 32 mil (1Q 2006) to RM 35 mil (1Q 2007)
- Gross Profit Margin improved from 18% (average 2006) to 19% in 1st Quarter 2007
- Profit After Tax of RM 17.7 mil in the 1st Quarter after taking into account “one-off” restructuring expenses of RM 8.9 mil and provision for taxation of RM 4.6 mil
- Further margin improvements expected in FYE 2007 due to commencement of Coal Washing Facility in May 2007
- Average pricing of metallurgical coke increased by RMB72/MT for 1Q 2007 compared to the pricing in 1Q 2006 whereas coal prices increased by RMB48/MT over the same period.



FINANCIAL HIGHLIGHTS



Q1 RESULTS (UNAUDITED) FOR PERIOD ENDED 31 MARCH 2007

Consolidated Income Statement

	Unaudited Current Year 31-Mar-07 RM'000	Preceding Year 31-Mar-06 RM'000	
Revenue	185,361	175,133	6% ↑
Cost of sales	<u>(150,066)</u>	<u>(142,766)</u>	5% ↑
Gross profit	35,295	32,367	9% ↑
Other Income	212	40	
Finance cost	(1,138)	(1,169)	
Operating expenses	<u>(3,159)</u>	<u>(2,593)</u>	
	(4,085)	(3,722)	
Profit before tax	31,210	28,645	9% ↑
One-off restructuring expenses	(8,871)	0	
Taxation	(4,642)	0	
Profit after taxation	<u>17,697</u>	<u>28,645</u>	
MI	0	0	
Profit attributable to member of the Company	<u>17,697</u>	<u>28,645</u>	



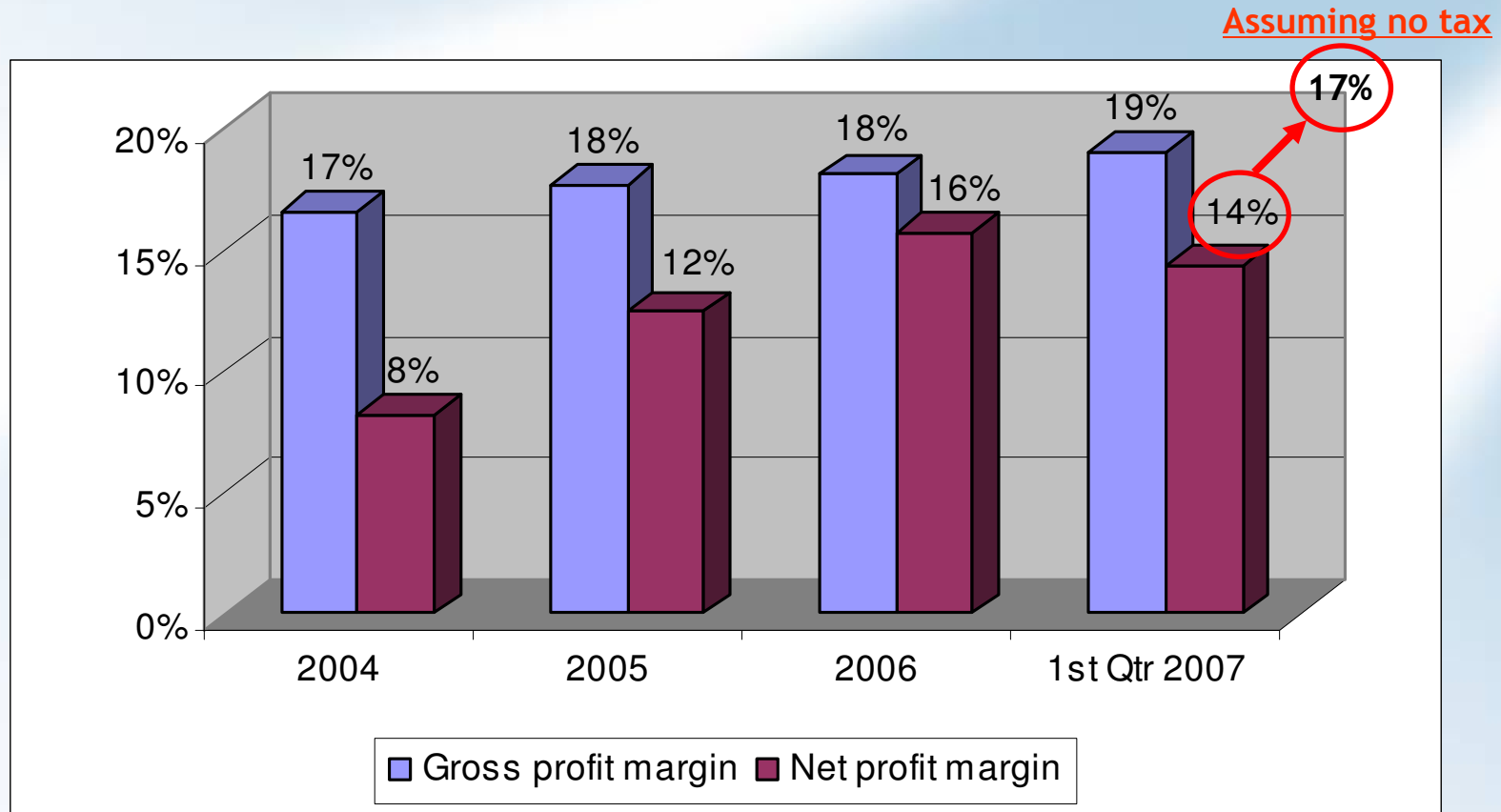
Q1 RESULTS (UNAUDITED) FOR PERIOD ENDED 31 MARCH 2007

Consolidated Balance Sheet

	Unaudited as at 31/3/07 RM'000	Audited as at 31/12/06 RM'000
Non Current Assets		
Land Lease payment-LT	29,912	9,838
Property,plant and equipment	226,247	220,471
Investment property	17,400	0
Goodwill	107,237	2,351
	380,796	232,660
Current Assets		
Land lease payment-ST	578	364
Inventories	43,054	42,728
Trade receivables	41,413	40,193
Other receivables,deposits and prepayments	26,070	42,626
Bank balances and cash	215,837	9,687
	326,952	135,598
Current Liabilities		
Trade payables	24,531	23,664
Receipts in advance	968	1,048
Accruals and other payables	3,255	2,882
Amount due to a shareholder	2,948	0
Tax payable	8,486	4,301
Bank Loans-secured	67,209	67,857
	107,397	99,752
Net Current Assets	219,556	35,846
	600,352	268,506
Shareholders' Fund		
Issued capital	561,154	177
Reserves	39,198	268,328
	600,352	268,505
Net Assets per share (RM)	0.53	n/a



GROSS & NET MARGIN



Note: The Net Profit Margin for 1Q 2007 was arrived at after adjusting for the “one-off” restructuring expense of approx. RM9million



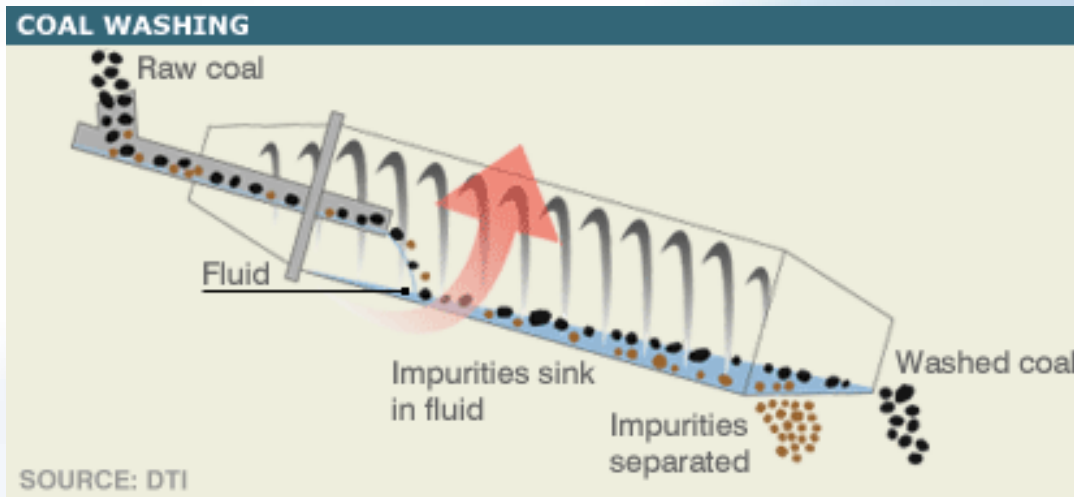
PROSPECTS FOR FYE 2007



PROSPECTS FOR FYE 2007

Coal washing facility

Already came on-stream on 1 May 2007



Coal washing process will produce 2 by-products (coal slime and middlings) which will provide additional revenue to the Company:

Estimated annual revenue from the by-products are as follows:

	RMB
Coal slime	47m
Middlings	102m
	<hr/>
	149m



PROSPECTS FOR FYE 2007

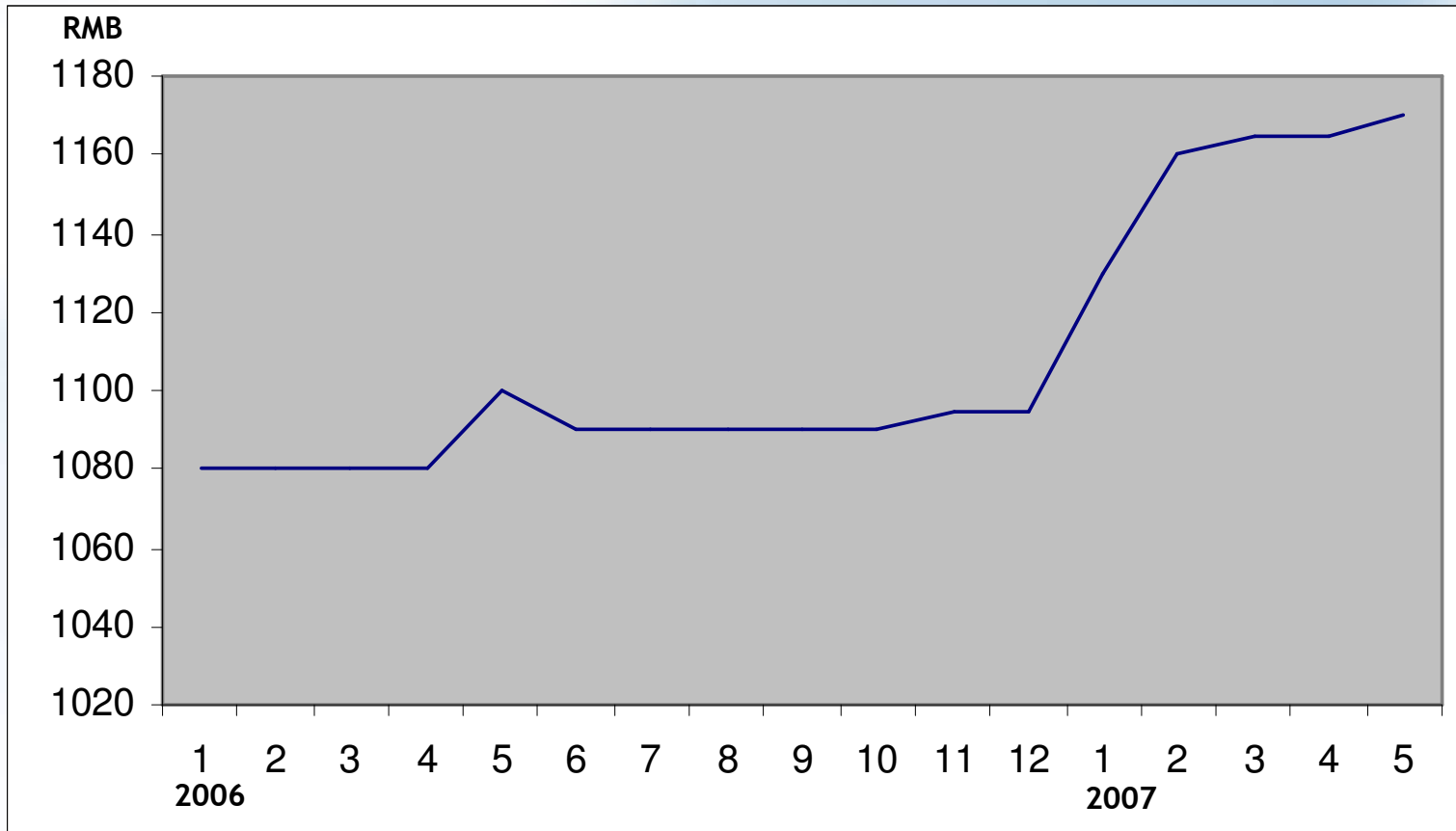
Additional coke oven

- Plan to accelerate the increase in production capacity from existing 1.2MT to 1.8MT by construction of additional 2 coke ovens.
- Expected to be completed by mid 2008.
- Expected to boost profit by a further RM30 million in 2008 (assuming ½ year contribution).
- This capex will be funded partly through the IPO proceeds as well as internally generated funds.



PROSPECTS FOR FYE2007

Positive price trend for coke

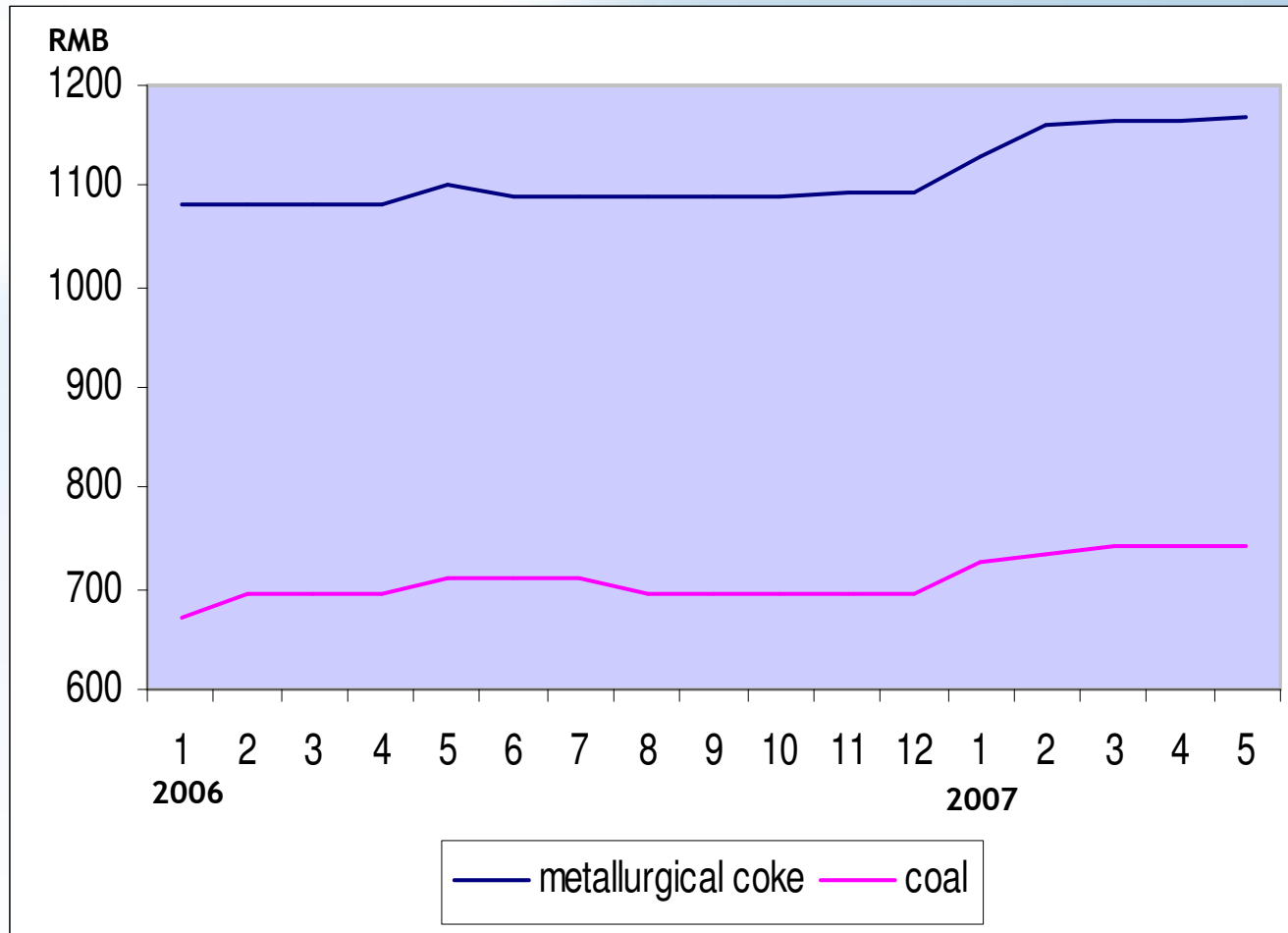


Actual selling price of the Company



PROSPECTS FOR FYE2007

Positive coke vs coal pricing trend

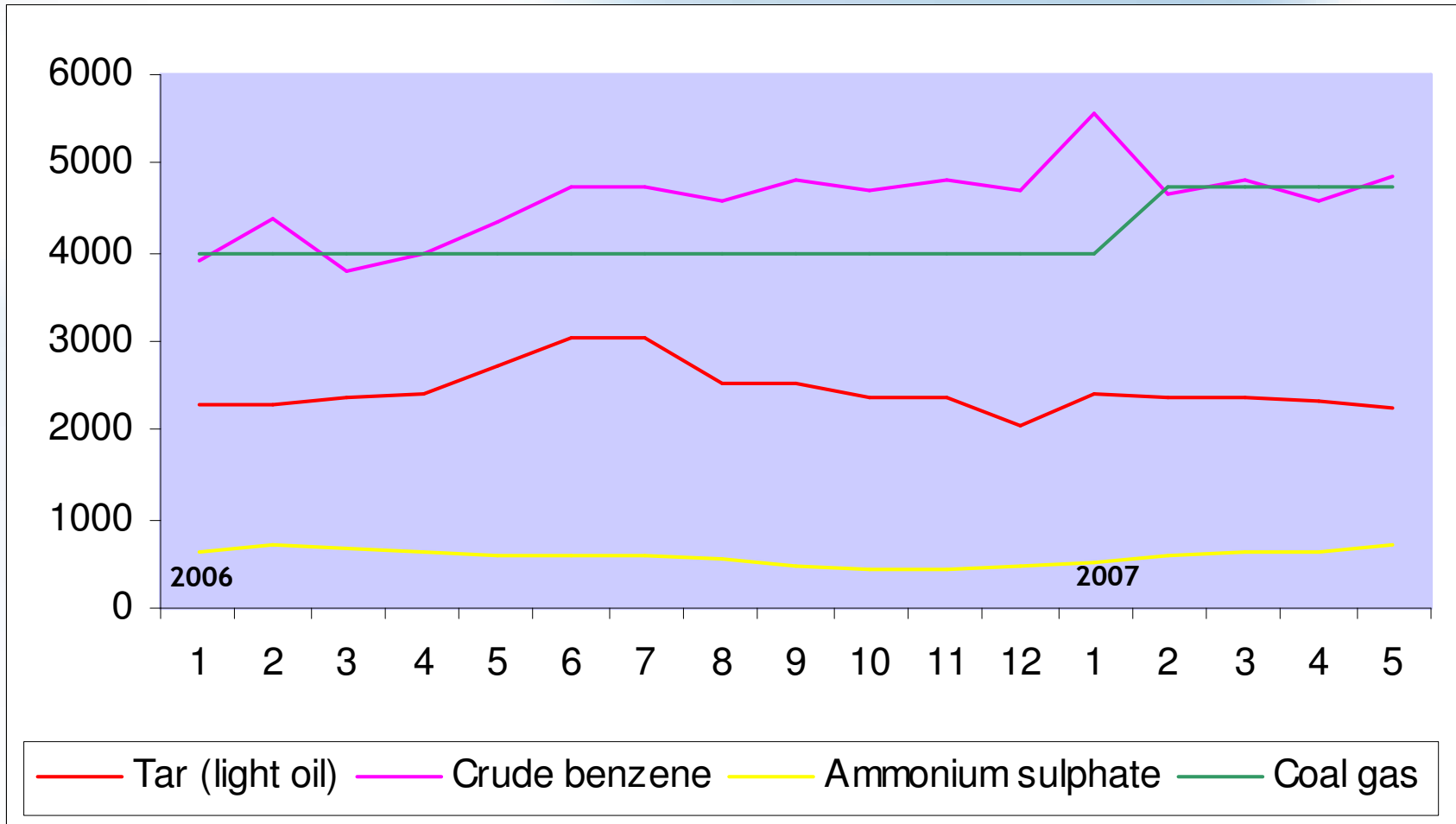


Actual metallurgical coke and coal prices of the Company



PROSPECTS FOR FYE2007

Positive pricing trend for coal gas





PROSPECTS FOR FYE 2007

POTENTIAL FURTHER TAX EXEMPTION

- Expected to procure additional 2 years of tax holiday for 2007 and 2008.

MACROECONOMIC OUTLOOK

- Continued robust demand from steel companies in view of the burgeoning steel industry in China.

MERGERS & ACQUISITION

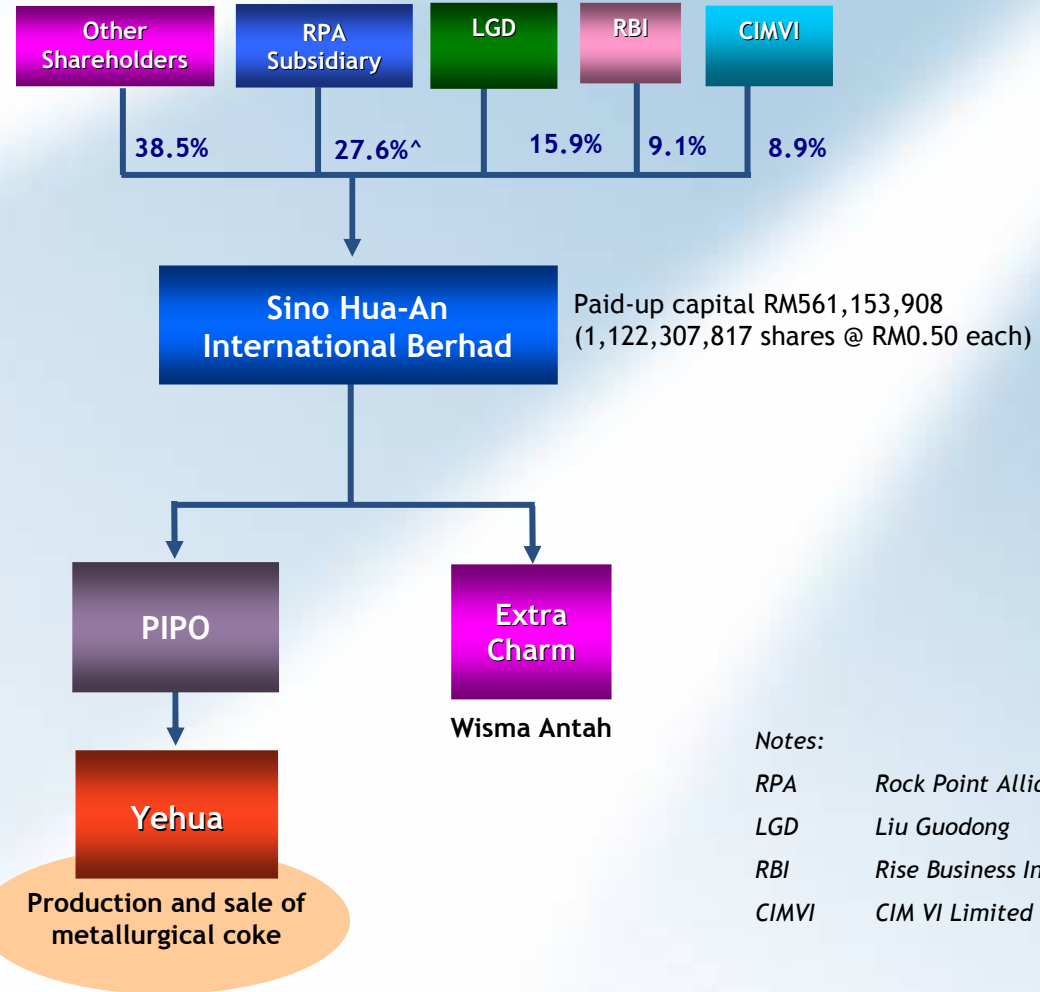
- Discussions have been initiated to explore areas of M&A in downstream activities.



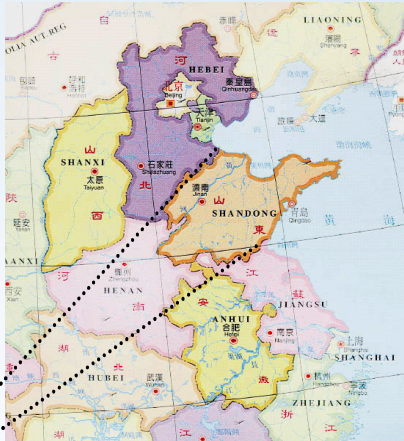
THE SINO HUA-AN GROUP - COMPANY OVERVIEW



CORPORATE STRUCTURE



Shandong Province
 Location: East China
 Area: 153,800km²
 Population: 90.8 million



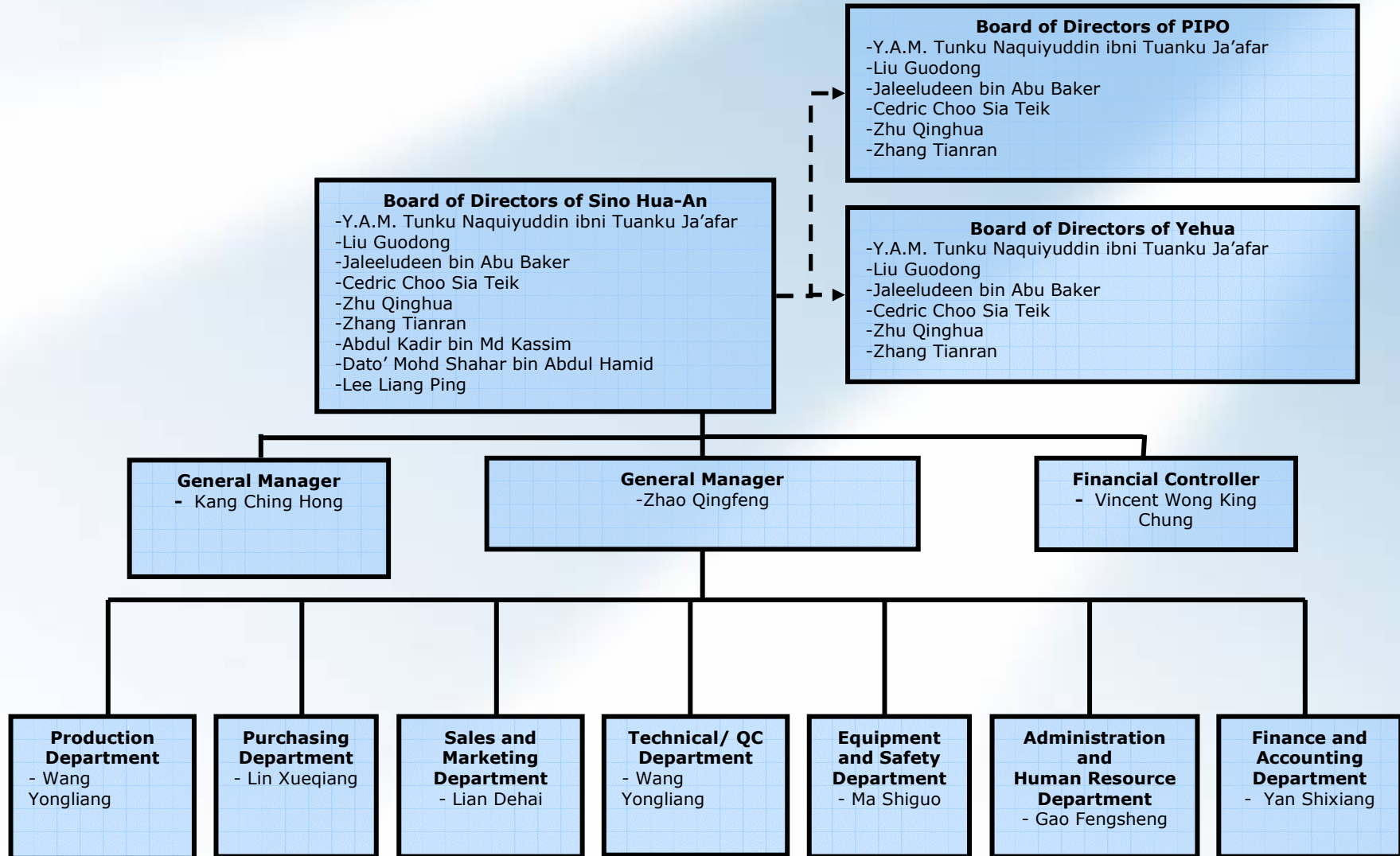
- Shandong Province is a major economic force in China. It is ranked 2nd among 4 provinces in China with GDP of over Rbm1.0 trillion
- Strategically located in China's booming steel catchment area and close proximity to major coal reserves regions in China

Notes:

- RPA Rock Point Alliance Sdn Bhd
- LGD Liu Guodong
- RBI Rise Business Inc.
- CIMVI CIM VI Limited



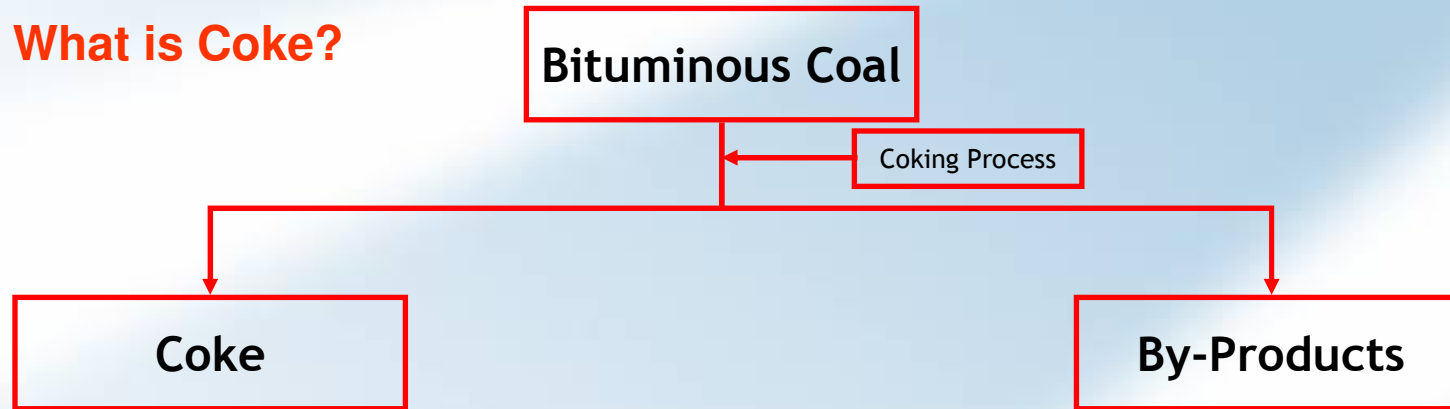
GROUP'S MANAGEMENT STRUCTURE





SUMMARY OF THE SINO HUA-AN GROUP

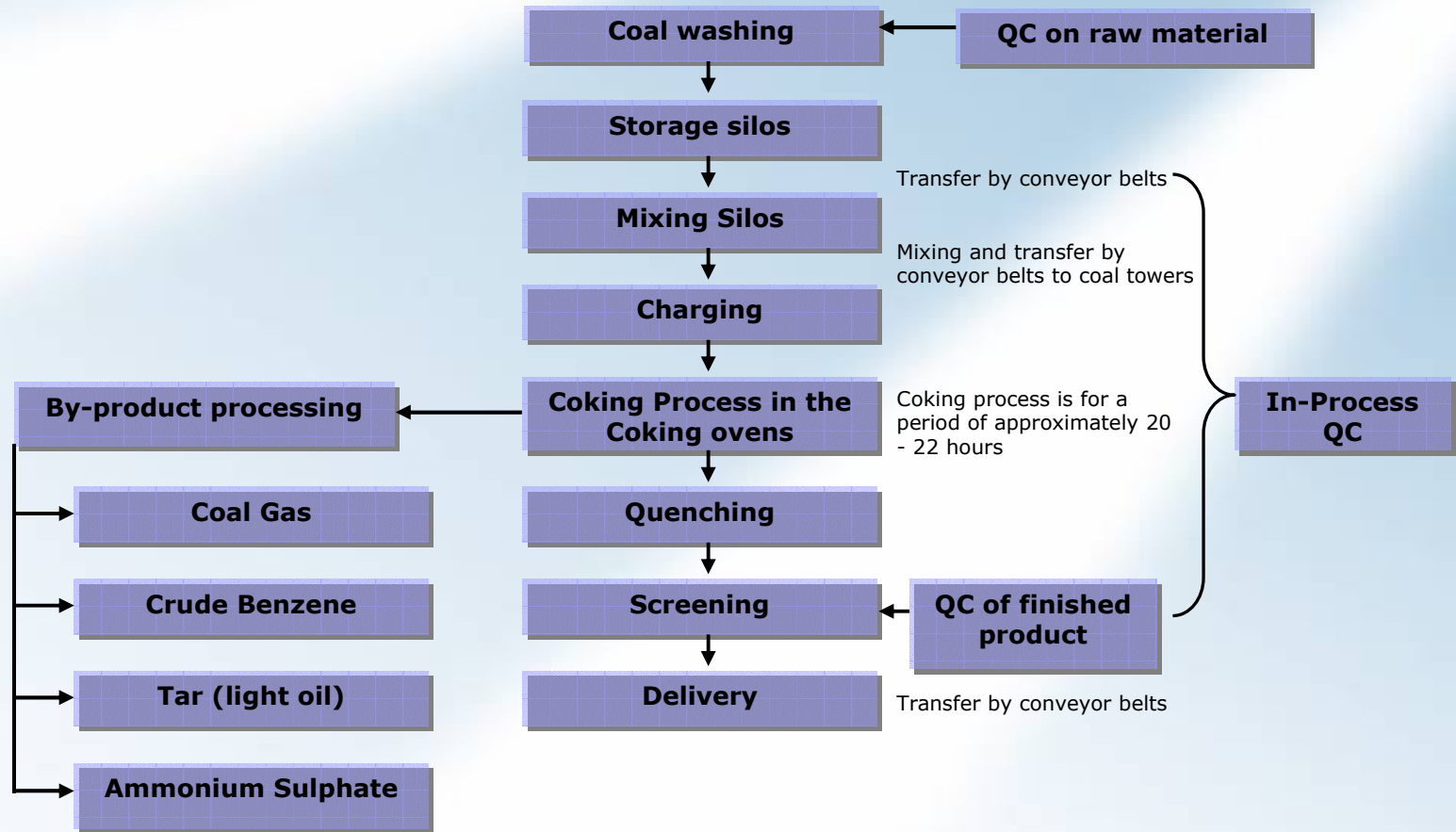
What is Coke?

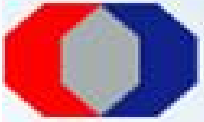


- Coke is made from low sulphur bituminous coal
- A process of baking coal in an oven to drive out the residue including the smoke producing constituents
- The end product - which is fixed carbon and residual ash fused together - is coke
- Key properties of coke are : low or no smoke and a stable burning temperature
- Given these properties, applications for coke include the roasting of malt in beer brewing and, more importantly, as a reducing agent in smelting iron ore.
- Different grades of coal
 - Sub-bituminous coal - properties range from those of lignite to those of bituminous coal and are used primarily as fuel for steam-electric power generation
 - Lignite - lowest grade, also known as brown coal. Used as fuel for steam-electric power generation
 - Bituminous coal - a dense coal, usually black. Substantially used for heat and power applications in manufacturing and to make coke
 - Anthracite - highest quality coal. Used primarily for residential and commercial space heating



METALLURGICAL COKE PROCESS FLOWCHART





METALLURGICAL COKE PROCESS FLOWCHART (Cont'd)

Coal washing



Storage silos



Mixing silos

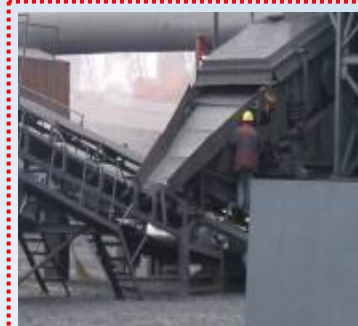


Charging



Raw material - coal

Screening and delivery



Quenching

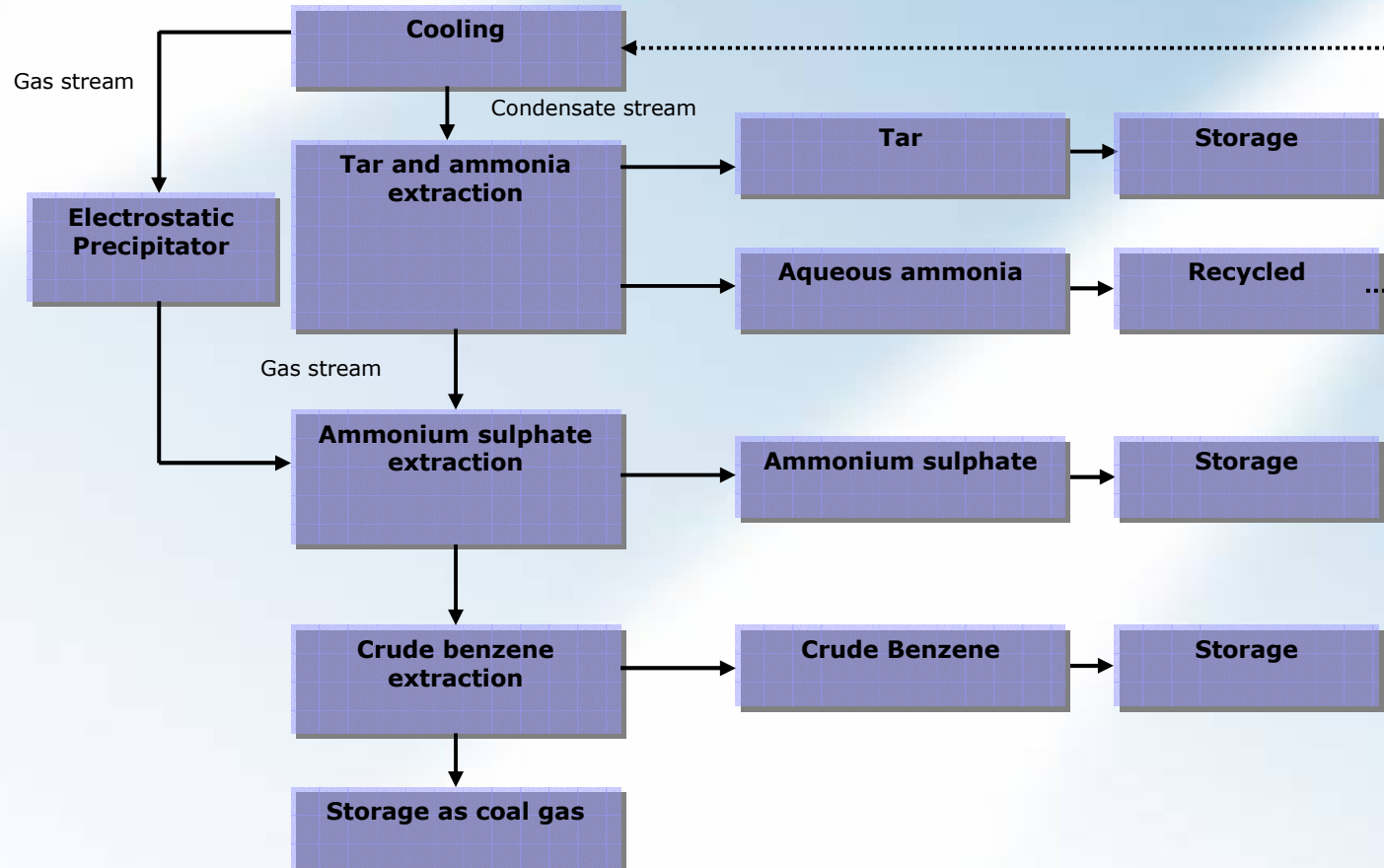


Coking process





COKE BY-PRODUCTS PROCESS FLOWCHART





SUMMARY OF THE SINO HUA-AN GROUP (Cont'd)

Operations

- Sino Hua-An is involved in production and sale of metallurgical coke
- Metallurgical coke besides iron ore is the key ingredient for the manufacturing of steel
- Plant based Shen Quan Zhuang Industrial Park, Luo Zhuang District, Linyi City, Shandong Province with a built-up area of 319,014 sq m
- We have a workforce of close to 1,000 workers
- Current capacity of 1.2 MT to grow 50% with 2 more ovens by 2009
- Setting up a coal washing facility to further reduce raw material cost by 5%
- Obtained ISO 9001:2000 certification for our product quality and environmentally friendly production process
- Only 4 coke manufacturers with more than 1 MT capacity in Shandong Province and we are the largest independent coke manufacturer
- We also produce coke by-products namely coal gas, tar, crude benzene and ammonium sulphate used in various industries
- Metallurgical coke contributes 79 % of revenue and remaining 21 % by coke by-products
- We command 10% market share of Shandong Province's coke market and Shandong Province ranked 3rd in coke output by provinces in China



SUMMARY OF THE SINO HUA-AN GROUP (Cont'd)

Competitive Advantages

- Sizeable capacity of 1.2 MT enable us to achieve economies of scale and supply to bigger steel plants
- Usage of proprietary blending formulae and charging process enable plant to operate efficiently
- Produces higher quality of coke preferred by steel manufacturers and command premium pricing
- Existence of long-term electricity supply contract ensure continuous and reliable power supply and cost savings due to discounted rate
- Existence of long-term transport contract ensure strategic linkage to national railway system and cost savings for coal transportation cost as well as cost savings to customers for coke transportation cost
- Higher gross margin compared to other coke players in China
- Close proximity to major steel players located in Shandong and neighboring provinces of Hebei, Jiangsu, Shanxi and Liaoning
- Close proximity to coal reserves located in Shandong and neighboring provinces of Shanxi, Anhui, Shaanxi and Henan
- Experienced management team with extensive experience in sales & marketing to production of coke
- Listing of Sino Hua-An expands avenue of funding for additional capacity in line with increasing demand from China's steel industry



MAJOR PLAYERS

Major Coke Players (Shandong), 2005	
Players	Estimated Annual Coke Output (million tonnes)
Jinan Iron and Steel Group Corporation Coking Factory	2.8
Shandong Laiwu Iron and Steel Corporation	2.0
Linyi Yehua Coking Co., Ltd.	1.2
Shandong Haihua Coal-Chemical Co., Ltd	1.2
Shandong Haihua Weifang Zhenxing Coking Co., Ltd	0.8
Shandong Zaozhuang Xuecheng Coking Co., Ltd	0.6
Shandong Zibo Wanjie Coking Co., Ltd	0.6
Zibo Coking Co., Ltd	0.4
Linyi Chuang Yuan Coking Co., Ltd	0.4
Shandong Linyi Yizhou Coking Co., Ltd	0.4
Linyi Shunxxin Coking Co., Ltd	0.4
Others	1.7

Source:
Frost and Sullivan

- We are the largest independent coke manufacturer in Shandong Province
- The 2 larger manufacturers are steel manufacturers whom produce coke for own consumption



THANK YOU



SINO HUA-AN INTERNATIONAL BHD

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