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STI		HANG SENG		NIKKEI		FTSE 100 (Aug 10)		DJIA (Aug 10)	
2,949.26	▼ -35.03	21,294.54	▼ -179.06	9,292.85	▼ -258.20	5,376.41	▼ -34.11	10,644.25	▼ -54.50

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Business Times

China news fuels interest in Sino Hua-An

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SINO Hua-An International Bhd's shares were actively traded yesterday, fuelled by news that the Chinese government will adopt efficient and environment-friendly technology in major energy-consuming industries.

The stock was the among the most active counters on Bursa Malaysia. It hit a mid-day high of 37.5 sen before ending the day at 36.5 sen, with 118,179 shares traded.

Sino Hua-An's highest share price so far was in February, at 50 sen.

The positive movement was also influenced by an upgrade of the stock to a "Buy" from OSK Research Sdn Bhd.

The research firm set a higher target price of 47 sen, up from 40 sen previously.

OSK Research noted that China's Ministry of Industry and Information Technology recently released a list of companies in major energy-consuming industries, including coking and iron and steelmaking, targeted for elimination by end-September.

However, Sino Hua-An will not be affected by the move as its three coking ovens, with a combined annual capacity of 1.8 million tonnes, are relatively new.

"We believe the closure may not apply to the company's coke ovens," OSK Research said.

Sino Hua-An, a producer and seller of metallurgical coke, adopts the latest tamping technology that is far more efficient and environment-friendly than the old "bee hive" technology.

OSK Research said that 193 coking companies, with a combined coking capacity of 25.87 million tonnes a year, were expected to be affected by China's move.

It added that most of the

■ TURN TO B4, COL. 3

Sino Hua-An expected to be profitable in Q2

■ FROM B1

affected firms have coking capacity of no more than 400,000 tonnes a year each.

The research house believes the move to further curb coking capacity may beef up the competitiveness of independent coke producers, which may see them progressively improve their profit margins.

"While the full impact of this development remains uncertain and it may take a while before any positive impact on Sino Hua-An's profit and loss is reflected, we think this piece of news may spur interest in coke-producing companies," it said.

OSK Research expects Sino Hua-An to be back in the black in the second quarter although the upside might be capped by the weaker steel market in May.

A Sino Hua-An official, when contacted, said the latest news would help stabilise the price of coke in the market.

"The elimination of the old coking plants is indeed good news for us. It could strengthen the supply dynamics of coke," he said.