

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED INCOME STATEMENT

	First Quarter		Cumulative Quarter	
	Unaudited Current Period 31-Mar-08 RM'000	Preceding Period 31-Mar-07 RM'000	Unaudited Current Period 31-Mar-08 RM'000	Preceding Period 31-Mar-07 RM'000
Revenue	290,798	185,361	290,798	185,361
Cost of sales	(239,040)	(150,066)	(239,040)	(150,066)
Gross profit	51,758	35,295	51,758	35,295
Other income	107	212	107	212
Operating expenses	(9,936)	(3,159)	(9,936)	(3,159)
	(9,828)	(2,947)	(9,828)	(2,947)
Restructuring expenses *	0	(8,871) *	0	(8,871)
Finance costs	0	(1,138)	0	(1,138)
Profit before tax	41,929	22,340	41,929	22,340
Taxation	(6,362)	(4,642)	(6,362)	(4,642)
Profit for the year	35,567	17,697	35,567	17,697
Profit attributable to equity holders of the Company	35,567	17,697	35,567	17,697
Earnings per share (sen)				
- basic (sen)	3.17	2.10	3.17	2.10
- fully diluted (sen)	n/a	n/a	n/a	n/a

* Restructuring expenses are attributable to "one-off" expenses incurred arising from the implementation of the Restructuring Scheme of Antah / IPO of Hua-An which has been charged to the first quarter of the Income Statement for FY2007.

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited as at 31-Mar-08 RM'000	Audited as at 31-Mar-07 RM'000
Non Current Assets		
Land lease payment - long-term	30,169	30,283
Property, plant and equipment	430,973	428,423
Goodwill	107,080	107,114
	568,222	565,820
Current Assets		
Land lease payment - short-term	800	747
Inventories	84,238	74,882
Trade receivables	83,745	65,202
Other receivables, deposits and prepayments	3,237	24,735
Bank balances and cash	72,999	32,081
	245,019	197,648
Total Assets	813,241	763,468
Shareholders' Fund		
Share capital	561,154	561,154
Reserves	202,094	152,774
	763,248	713,928
Current Liabilities		
Trade payables	24,994	28,344
Receipts in advance	-	5,796
Other payables and accrued expenses	9,119	3,477
Amount due to related company	757	721
Amount due to a shareholder	26	26
Tax payable	15,097	11,176
Bank loans - secured	-	-
	49,993	49,540
Total Equity and Liabilities	813,241	763,468
Net assets per share (RM)	0.68	0.64

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

- 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
3 months ended 31 March 2007							
Balance as of January 1, 2007	177	-	28,420	-	4,886	235,023	268,506
Legal entity adjustment in accordance with FRS 3	(177)	-	-	(799,823)	-	-	(800,000)
Issue of shares:							
Acquisition of PIPO Group	400,000	400,000	-	-	-	-	800,000
Scheme of arrangement with shareholders of Antah	42,454	42,454	-	-	-	-	84,908
Acquisition of investment property	8,700	8,700	-	-	-	-	17,400
Scheme of arrangement with creditors of Antah	10,000	10,000	-	-	-	-	20,000
Private placement	100,000	100,000	-	-	-	-	200,000
Share issue expense	-	(7,263)	-	-	-	-	(7,263)
Profit for the period	-	-	-	-	-	17,697	17,697
Transfer to common fund reserve	-	-	2,631	-	-	(2,631)	-
Exchange differences	-	-	-	-	(896)	-	(896)
Balance as of March 31, 2007	561,154	553,891	31,051	(799,823)	3,990	250,089	600,352
3 months ended 31 March 2008							
Balance as of January 1, 2008	561,154	553,891	49,312	(799,823)	7,741	341,653	713,928
Profit for the period	-	-	-	-	-	35,567	35,567
Transfer to common fund reserve	-	-	(540)	-	-	540	-
Exchange differences	-	-	-	-	13,753	-	13,753
Balance as of March 31, 2008	561,154	553,891	48,772	(799,823)	21,494	377,760	763,248

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Current year to date 31-Mar-08 RM'000	Preceding year to date 31-Mar-07 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit for the year	35,567	22,339
Adjustments for:		
Depreciation of property, plant and equipment	5,897	4,213
Amortisation of lease payments	0	91
Finance costs	0	1,125
Interest income	(80)	(69)
Income tax recognised in income statement	10,283	0
Gain on disposal of subsidiary company	0	0
	<hr/>	<hr/>
Operating profit before working capital changes	51,668	27,699
(Increase)/Decrease in:		
Inventories	(9,356)	(326)
Trade receivables	(18,543)	(1,221)
Other receivables, deposits and prepayments	27,239	16,981
Increase/(Decrease) in:		
Trade payables	(3,350)	867
Other payables and accrued expenses	5,678	915
	0	0
Receipt in advance	(5,796)	(80)
Amount due to shareholder	0	2,406
	<hr/>	<hr/>
Cash generated from operations	47,540	47,241
Income tax paid	(6,362)	(458)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	41,178	46,783
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	0	(10,608)
Land lease paid	0	(20,462)
Interest received	80	69
Disposal of investment in subsidiary company	0	0
	<hr/>	<hr/>
Net cash from/(used in) investing activities	80	(31,001)

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

- CONTINUE -

	Unaudited Current year to date 31-Mar-08 RM'000	Preceeding year to date 31-Mar-07 RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Issuance of shares	0	200,000
Share issue cost paid	0	(7,263)
Finance costs paid	0	(1,125)
Increase/(Decrease) in bank borrowings/intercompany loan	0	(648)
Net cash from/(used in) financing activities	<u>0</u>	<u>190,964</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	41,257	206,746
CASH AND CASH EQUIVALENTS		
AT BEGINNING OF THE FINANCIAL PERIOD	32,081	9,687
Effect of changes in exchange rate	(339)	(596)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>72,999</u>	<u>215,837</u>

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

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

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 2007. 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 2007.

The significant accounting policies and methods of computation adopted by the Company and its subsidiaries ("the Group") in this interim financial report are consistent with those adopted in the annual financial report for the year ended 31 December 2007.

FRS 3: Business Combinations

After completion of the acquisition of PIPO Overseas Limited ("PIPO") and its subsidiary company ("PIPO Group"), the Company becomes the legal parent company of PIPO Group. Due to relative values of the companies, the former shareholders of PIPO became the majority shareholders of the Company. Accordingly, the substance of the business combination is that PIPO acquires the Company in a reverse acquisition. Under FRS 3, as a result of the reverse acquisition, the financial statements which were assumed to have been prepared in the name of the legal parent, the Company, represent a continuation of the balance sheet of the legal subsidiary, PIPO, which was deemed as the acquirer.

In accordance with the FRS 3, the amount recognised as issued equity instruments in those consolidated financial statements shall be determined by adding to the issued equity of the legal subsidiary immediately before the business combination the cost of the combination determined. However, the equity structure appearing in those consolidated financial statements shall reflect the equity structure of the legal parent, including the equity instruments issued by the legal parent to effect the combination.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia. The individual financial statements of the subsidiary companies are presented in the currency of the primary economic environment in which the entity operates (their functional currency). The functional currency of the foreign subsidiary companies, PIPO and Linyi Yehua Coking Co. Ltd., are Hong Kong Dollars and Chinese Renminbi, respectively, while the functional currency of the local subsidiary companies is Ringgit Malaysia.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in the income statements in the period in which the foreign operations is disposed of.

A2. Audit report

The auditors' report on the audited financial statements for the year ended 31 December 2007 was not qualified.

A3. Seasonal or cyclical factors

The operations of the Group during the quarter have not been affected by any material seasonal or cyclical factors.

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

The Group operates predominantly in one industry and country. In this regard, segmental information is not applicable.

A9. Valuation of Property, Plant and Equipment

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

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

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.

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

For the first quarter ended 31 March 2008, the Group recorded a consolidated revenue of approximately RM290.8 million and consolidated profit before tax of approximately RM41.9 million.

The relatively higher revenue registered in the current quarter under review compared with that of the preceding year corresponding quarter can be attributed mainly to the contribution from the additional by-products following the commissioning of the coal washing facility in May 2007. Also contributory to the higher revenue is the strong and positive pricing of metallurgical coke and the by-products enjoyed by the Group in the current quarter. The average prices of metallurgical coke, ammonium sulphate, crude benzene and tar oil during the current quarter under review have increased by approximately 65%, 116%, 15% and 11% respectively compared with those of the preceding year corresponding quarter. However, the price of coal gas has reduced by approximately 7% in the current quarter compared to the same quarter last year.

The favourable pricing of metallurgical coke and the by-products as mentioned above, is offset by the higher cost of sales, with the price of raw materials (coal) increasing quite significantly by an average of approximately 63% in the current quarter compared to the average prices registered in the preceding year corresponding quarter. Additionally, in view of the escalating fuel costs and inflation generally experienced in China, the transportation cost has also increased significantly. These had caused an increase in the overall cost of production resulting in a slight reduction in the Group's gross margin to approximately 18% in the current quarter compared to approximately 19% in the preceding year corresponding quarter.

Profit before tax for the current quarter however increased by approximately 88% to RM41.9 million from RM22.3 million in the preceding year corresponding quarter. The relatively higher profit before tax figure is attributed to the absence of the one-off restructuring expenses (which were incurred in the preceding year corresponding quarter) of approximately RM8.9 million in the current quarter ended 31 March 2008.

B2. Variation of results against preceding quarter

The Group's consolidated revenue increased by RM105.4 million to RM290.8 million for the current reporting quarter from RM185.4 million reported in the preceding year corresponding quarter due to the increase in the prices of metallurgical coke and by-products as well as additional revenue from the two new by-products, namely coal slime and middlings.

Correspondingly, the gross profit has increased by approximately 46.6% to RM51.8 million during the current quarter from RM35.3 million in the preceding year corresponding quarter.

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

The Group's consolidated profit for the year registered an improvement of approximately 101% to RM35.6 million in the current quarter from RM17.7 million in the preceding year corresponding quarter. However, should the consolidated profit for the year of the first quarter of the preceding year be adjusted to exclude the effects of the "one-off" restructuring expenses of RM8.9 million, the Group would still register an improvement in its consolidated profit for the quarter under review of approximately 34% if compared with that of the corresponding quarter of the preceding year.

B3. Current year prospects

The Group will continue to focus on its core activities. The Group is expected to continue to benefit from the buoyant steel industry, particularly that in China, thus providing it with sustainable and healthy demand for its metallurgical coke and by-products.

Barring any unforeseen circumstances, the directors are optimistic of continued profitability of the business for the current financial year.

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

Taxation based on profit for the current quarter are as follows:

	Individual quarter ended		Cumulative quarter ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
In respect of the current period				
Income tax	6,362	4,642	6,362	4,642
Deferred tax	-	-	-	-
	<u>6,362</u>	<u>4,642</u>	<u>6,362</u>	<u>4,642</u>

The tax exemption enjoyed by Yehua (the operating company in China) by virtue of its WOFE status, as originally granted, ended on 31 December 2006. As such, Yehua has commenced paying tax in FY2007 but at a reduced rate of 15% p.a. (i.e. half of the national corporate tax rate of 30% p.a.). Such reduced tax rate will also be applicable for FY2008 and FY2009.

Given the discounted tax rate as mentioned above, the effective tax rate for the current quarter ended 31 March 2008 was lower compared to the China national corporate tax rate of 30%

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

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 March 2008, 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

At the forthcoming Second Annual General Meeting of the Company, a final dividend of 20% of the audited profit for the year ended 31 December 2007 will be proposed for shareholders' approval. The proposed final dividend will be reflected in the current year's financial statements upon approval from the shareholders.

The book closure and payment dates will be determined later.

No interim ordinary dividend has been declared for the financial year ended 31 December 2007 (31 December 2006: Nil).

SINO HUA-AN INTERNATIONAL BERHAD

(Company No.: 732227-T)

Incorporated in Malaysia

Notes on the quarterly report - 31 March 2008

B13. Earnings per share

	Individual quarter ended		Cumulative period ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Basic earnings per share				
Profit for the period attributable to equity holders (RM'000)	35,567	17,697	35,567	17,697
Number / Weighted average number of shares in issue* ('000)	1,122,308	842,974*	1,122,308	842,974*
Basic earnings per share (sen)	<u>3.17</u>	<u>2.10</u>	<u>3.17</u>	<u>2.10</u>

* The number of shares of Hua-An deemed to be outstanding from 1.1.07 to 20.3.07 (date of the RTO) (ie the number of shares issued by Hua-An for the acquisition of PIPO/Yehua) pursuant to Appendix B, Paragraph B13(a) of FRS 3 was 800,000,000. Thus the number of shares outstanding from 20.3.07 (date of RTO) to 31.3.07 was 800,000,200. Further number of shares issued by Hua-An pursuant to other elements of the RTO (20.3.07 to 31.3.07) was 322,307,617, resulting in the total number of shares outstanding from 20.3.07 to 31.3.07 becoming 1,122,307,817.

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

By Order of the Board
Chua Siew Chuan
Secretary

23 May 2008