

# Sino Hua-An's profit down 70.6%

KUALA LUMPUR: Sino Hua-An International Bhd's net profit plunged 70.6% in its third quarter due to the rising prices of raw materials and falling demand, the company announced yesterday.

For the period ended Sept 30, 2008 the company's net profit fell to RM11.71 million from RM39.89 million last year. The firm said that the price of raw materials, particularly coking coal, had increased significantly by an average of approximately 169%.

However, revenue for the company, which manufactures metallurgical coke and related by-products, doubled to RM496.93 million from RM223.98 million

previously. This was due to the higher pricing enjoyed by the company in the current quarter for metallurgical coke and a majority of the by-products.

Earnings per share was also reduced to RM1.04 from RM3.55.

The company noted that the steel industry is currently faced with very challenging times resulting from softening demand, falling prices and persistently high raw material cost. Continued tight supply of coking coal was also a problem for the company. However, it was hopeful that the difficult business environment would be temporary and the business dynamics would readjust itself in the near future.