

SE Companies & Markets

HD **Sino Construction morphing from building to resource player**

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MAINBOARD-listed Sino Construction announced on Friday that **operations** at its Mongolian mine Baruun Noyon Uul (BNU) will recommence, following what it described as the "successful completion" of its first trial batches of **coal**.

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BNU is part of Sino's recent off-market takeover bid of Australian **company** Guildford **Coal** for A\$60 **million**.

In the last two months, BNU has also been the only mine in the **company's** portfolio that has produced **coal**; its other assets, including Guildford's Australian mines, are still in the exploration phase.

The **company** said results from the testing of the second trial batch of **coal** are expected to be received by end November.

Sino Construction has been aggressively acquiring **coal** assets in a bid to transform itself from a construction **company** into a resource player. Within months this year, it acquired three **coal** assets, and has indicated interest in acquiring more.

This month, **company** chairman Andy Chee told The Business Times that **coal** from its Mongolian mine is sold to northern **China** via the Ceki Crossing, and that **China** and India were two of the **company's** target supply markets.

Of late, **China** has imposed higher import taxes and quality restrictions on **coal** to limit air pollution; market players have attributed the recent plunge of **coal** prices to this move.

Such policy changes by **China** may also have shaped Sino Construction's **coal acquisition** guidelines. Mr Chee disclosed that Sino would focus on coking **coal** (for steel-making) and on high-grade thermal **coal** (for power generation; the latter type of **coal** has more than 5,500 calorific value, low ash and low sulphur content).

On Friday, after a marginal dip of 1.61 per cent from the previous closing day, Sino Construction's counter closed at S\$0.305.

CO ccbtkl : Sino Construction Limited | gudclm : Guildford Coal Limited

IN icre : Real Estate/Construction | i1 : Energy | i111 : Coal Mining | ibasicm : Basic Materials/Resources | iconst : Construction | imet : Mining/Quarrying

NS ccat : Corporate/Industrial News

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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