



Lye Hun Kwee



Cedric Choo Sia Teik

Measures to counter impact

KUALA LUMPUR: Haier Electrical Appliances (M) Sdn Bhd executive director Lye Hun Kwee said the company had enjoyed a steady growth from April to September but sales had slowed down in October.

"We look forward to a recovery towards year-end due to the festive season sales," he said.

Lye said the company had implemented several measures to mitigate the impact of the financial crisis such as cutting down expenses and increasing the productivity of staff.

He said the company would not retrench staff amid the financial crisis but also would not recruit new staff for the time being.

"We are fairly new in the Malaysian market and we anticipate some growth in 2009," he said, adding that the company would adapt to the changes in the market through revamping its various distribution channels.

Lye said the slowdown in the China market had not made any big impact on its Malaysian business so far.

Metallurgical coke producer Sino Hua-An International Bhd executive director Cedric Choo Sia Teik said the demand for coke had dropped by between 20% and 30% from August this year.

"This was due to the drop in the demand of steel," he said. Coke is one of the key raw materials used in steel manufacturing.

He said Sino Hua-An was impacted to the extent of how the steel industry was affected.

"The steel industry is currently facing challenging times stemming from plummeting

steel prices and persistently high cost of production," he noted.

Choo said Sino Hua-An's wholly owned subsidiary Linyi Yehua Coking Co Ltd had reduced its metallurgical coke production capacity to 73% since August due to the lower demand, adding that the company was running at almost full capacity from 2006 till the first half of this year.

"We expect the demand for steel to continue to slow down in the fourth quarter as steel oversupply is expected to persist until the end of the year," he said.

However, Choo said the company was able to cushion the impact owing to its strong balance sheet and financial position.

On its expansion plan, he said Sino Hua-An had put its merger and acquisition plan on hold due to the uncertain economic climate and business volatility in the industry.

"We may resume our negotiations for the possible acquisition of a steel plant when the steel market improves and venture into other related and strategic business propositions," he said.

Asked whether it would implement cost-cutting measures, he said the scope was limited as close to 90% of its cost consisted of coal purchase. However, the company would further improve its efficiency level as well as reduce other operating costs and fixed overheads.

"There are no retrenchments to date as we believe the current challenging situation is only temporary and things will improve in the near future," he said.