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China Fire & Security Group, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you sir. (Operator Instructions). The first question comes from the Chenyi Lu of Brean Murray, Carret. Please go ahead.

Chenyi Lu – Brean Murray, Carret & Co.

Thank you Brian and Robert. Very good quarter. I have two questions. The first question I'd like to ask is do you see any contract delay given the current, the weak economy in China?

Brian Lin

You mean the contract execution.

Chenyi Lu – Brean Murray, Carret & Co.

Yeah. In terms of any project deployment delay as to, some of your customer may say you know, what – why not just postpone the project right now do you see any activity related with that?

Brian Lin

These varies in these large customers, I think – at the end largely there might be some delay, but its being picked up since the beginning of this year with a stimulus plan with overall government support for these companies, we are only addressing and serving large customers. So, overall we are seeing business as usual.

Chenyi Lu – Brean Murray, Carret & Co.

Okay, great. So, what I mean, because you still comp with our consensus number. So, even it's more delayed in the last quarter, so its still mean a number, but as of now you have not seen any delay right?

Brian Lin

Yes.

Chenyi Lu – Brean Murray, Carret & Co.

Okay. Let's move on to my second question can you discuss about the current contract activities in iron and steel industry and then can you also talk about what you see in terms of contract synergy going forward into 2009 related to the iron and steel industry? Thank you.

Brian Lin

As I stated in my prepared remarks in the iron and steel industry overall is not as good as large shares, but with the Chinese stimulus plan with the government revitalization scheme for iron and steel industry, the top tier customers are still growing strong with a mandate that by 2012 there will be three largest steel giants in China each with capacity of over 15 million metric tons of capacity. So, that's just gets unpulled for the consolidation. So, we still see lot of projects potentials for us in 2009, and our sales are actively following all these potential projects right now.

Chenyi Lu – Brean Murray, Carret & Co.

So, at this moment you probably still expect that contract activity are going to be up year-over-year in 2009 for iron and steel industry right?

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