

L.K. pursuing press sales in N. America

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PLASTICS NEWS STAFF

MILWAUKEE (May 16, 1:05 p.m. EDT) -- Officials of Hong Kong-based L.K. Technology Holdings Ltd. hope the success of the company's die-casting machines can fuel sales of its plastics injection molding presses.

Last November, L.K. announced that General Motors Corp. placed an order for 17 die-casting machines, with complete manufacturing cells plus automation, for GM's transmission factory in Bedford, Ind. The automaker has an option for five more die-casting machines.

L.K. dethroned a longtime GM die-casting machine supplier from Europe, said Kevin Brady, sales director of plastics machinery for the U.S. unit, L.K. Machinery Inc. in Holland, Mich.

"That really opened the doors," he said at Plastics Encounter, held May 4-8 in Milwaukee. "We are now making the push with plastics because of our success with the die-casting over here."

L.K. Machinery sold its show machine, with a clamping force of 143 tons, to Topline Plastics of Mississauga, Ontario.

The company, which makes injection presses, die-casting equipment and computer numerically controlled milling machines, opened a sales and service facility in Holland about two years ago. A showroom there has all three types of equipment, including an 88-ton injection press.

L.K. Machinery built about 1,800 injection molding presses and 1,500 die-casting machines in 2007.

The company, publicly traded on the Hong Kong Stock Exchange, reported sales of HK\$969.4 million (US\$124.6 million) and profit of HK\$60,275 million (\$7.7 million), for the fiscal year ended March 31, 2007.

Fiscal 2008 figures have not been released yet.

For its North American sales effort, the firm is starting with a limited product range of injection presses, from 88-495 tons. The machines are hydraulic toggle-clamp presses, but Brady said L.K. plans to add all-electrics and hybrids in the future. The full line of L.K. presses extends up to 3,300 tons.

L.K. manufactures the presses at several factories in China. "We're about one-third to one-half the cost of a traditional machine that you would find from Europe, Japan or a U.S. manufacturer," Brady said.

Brady said L.K. has sold about 25 injection presses in the North American market over the years, shipped direct from Hong Kong. The company has exhibited at some NPE shows, but only with a small booth and without showing any machines. "They really haven't made a concentrated effort to come over to this market," he said.

Solid sales of L.K. die-casting demand convinced executives that a low-cost injection press, backed by service and support in Michigan, could sell in a down U.S. market, according to Brady. L.K. decided to start with the limited tonnage range to gauge demand. Also, the company incurs costs to meet U.S. machinery standards.

Brady said the clamp on L.K. injection presses is based on its die-casting machines — beefy toggles, thick platens and lots of structural support.

"I would equate it to machines that used to be built here back in the 70s, when we used a lot of steel in the machines. We do that in our clamp end," he said.

"They're not machines that are going to wear down and have to re-bushed and get new bearings and pins put in them after just a couple years. They're good for a lot of cycle hours."