

FOCUS DYNAMICS TECHNOLOGIES BERHAD (Company No: 582924-P)
CONDENSED CONSOLIDATED INCOME STATEMENTS
AND QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 2005
THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/10/2005 RM	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2004 RM	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/10/2005 RM	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2004 RM
REVENUE	A9	2,213,313	N/A	2,213,313	N/A
COST OF SALES		<u>(1,404,698)</u>	N/A	<u>(1,404,698)</u>	N/A
GROSS PROFIT		808,615	N/A	808,615	N/A
OTHER INCOME		143,183	N/A	143,183	N/A
OPERATING EXPENSES		<u>(316,578)</u>	N/A	<u>(316,578)</u>	N/A
PROFIT FROM OPERATIONS		635,220	N/A	635,220	N/A
INTEREST INCOME		10,363	N/A	10,363	N/A
INTEREST EXPENSE		<u>(65,927)</u>	N/A	<u>(65,927)</u>	N/A
PROFIT BEFORE TAXATION		579,656	N/A	579,656	N/A
TAXATION	B5	<u>(43,250)</u>	N/A	<u>(43,250)</u>	N/A
PROFIT AFTER TAXATION		<u>536,406</u>	N/A	<u>536,406</u>	N/A
MINORITY INTEREST		-	N/A	-	N/A
NET PROFIT ATTRIBUTABLE TO SHARE		<u><u>536,406</u></u>	N/A	<u><u>536,406</u></u>	N/A
Earnings Per Ordinary Share					
- Basic (sen)	B13	2.04	N/A	2.04	N/A
- Diluted (sen)		N/A	N/A	N/A	N/A

NOTES:

1. *The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report.*

2. *This is the first Interim Financial Statements on the consolidated results for the financial period ended 31 October 2005 announced by the Company in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") requirements in conjunction with the admission of the Company to the MESDAQ Market of Bursa Securities.*

3. *As this is the first quarterly report being drawn up, there are no comparative figures for the preceding year corresponding quarter.*

FOCUS DYNAMICS TECHNOLOGIES BERHAD (Company No: 582924-P)
CONDENSED CONSOLIDATED BALANCE SHEETS
AND QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 2005
THE FIGURES HAVE NOT BEEN AUDITED

	AS AT END OF CURRENT QUARTER 31/10/2005 Unaudited	AS AT PRECEDING FINANCIAL YEAR ENDED 31/10/2004 Audited
	RM	RM
ASSETS EMPLOYED		
PROPERTY, PLANT AND EQUIPMENT	432,715	N/A
DEVELOPMENT COSTS	831,571	N/A
CURRENT ASSETS		
Inventories	3,210,903	N/A
Trade receivables	5,339,380	N/A
Other receivables, deposits and prepayments	998,957	N/A
Tax recoverable	17,669	N/A
Deposits placed with licensed banks	1,197,894	N/A
Cash and bank balances	3,394	N/A
	<u>10,768,197</u>	<u>N/A</u>
LESS: CURRENT LIABILITIES		
Trade payables	947,947	N/A
Other payables and accruals	1,036,539	N/A
Amount due to Directors	1,036,459	N/A
Borrowings	3,945,857	N/A
Taxation	89,023	N/A
	<u>7,055,825</u>	<u>N/A</u>
NET CURRENT ASSETS	3,712,372	N/A
	<u>4,976,658</u>	<u>N/A</u>
FINANCED BY:		
SHARE CAPITAL	2,629,889	N/A
RETAINED PROFITS	1,356,134	N/A
	<u>3,986,023</u>	<u>N/A</u>
NEGATIVE GOODWILL	721,426	N/A
LONG TERM AND DEFERRED LIABILITY		
Borrowings	246,709	N/A
Deferred tax liabilities	22,500	N/A
	<u>4,976,658</u>	<u>N/A</u>
Number of ordinary shares at RM0.10 sen par each	26,298,890	N/A
NTA per share (RM)	0.15	N/A

NOTES:

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- 3. As this is the first quarterly report being drawn up, there are no comparative figures for the preceding year corresponding quarter.*
- 4. Negative goodwill has been included in the calculation of Net Tangible Assets per ordinary share.*

FOCUS DYNAMICS TECHNOLOGIES BERHAD (Company No: 582924-P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AND QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 2005
THE FIGURES HAVE NOT BEEN AUDITED

	Share Capital	<i>Distributable</i> Retained Profits	Total
	RM	RM	RM
Balance at 1 August 2005	2,629,889	819,728	3,449,617
Profit for the quarter	-	536,406	536,406
Balance at 31 October 2005	<u>2,629,889</u>	<u>1,356,134</u>	<u>3,986,023</u>

NOTES:

1. *The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report.*

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FOCUS DYNAMICS TECHNOLOGIES BERHAD (Company No: 582924-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
AND QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 OCTOBER 2005
THE FIGURES HAVE NOT BEEN AUDITED

	CURRENT YEAR TO DATE 31/10/2005 RM	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	1,849,453	N/A
Cash payments to suppliers and employees	<u>(1,893,956)</u>	<u>N/A</u>
Cash generated from operations	(44,503)	N/A
Interest received	10,363	N/A
Interest paid	(65,927)	N/A
Income taxes paid	(15,270)	N/A
Net cash used in operating activities	<u>(115,337)</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(13,015)	N/A
Increase in placement of fixed deposits pledged	(10,363)	N/A
Net cash used in investing activities	<u>(23,378)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of banker acceptance	203,000	N/A
Repayment of HP Creditors	(11,215)	N/A
Repayment of HP interest	(2,159)	N/A
Proceeds/(repayment) from bills payables	(77,114)	N/A
Net cash from financing activities	<u>112,512</u>	<u>N/A</u>
Net decrease in cash and cash equivalent	(26,203)	N/A
Cash and cash equivalent at beginning of year	<u>(176,725)</u>	<u>N/A</u>
Cash and cash equivalent at end of year	<u>(202,928)</u>	<u>N/A</u>
Cash and cash equivalent comprise:		
Cash and bank balances	3,394	N/A
Bank overdraft	<u>(206,322)</u>	<u>N/A</u>
	<u>(202,928)</u>	<u>N/A</u>

NOTES:

1. *The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report.*

2. *This is the first Interim Financial Statements on the consolidated results for the financial period ended 31 October 2005 announced by the Company in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") requirements in conjunction with the admission of the Company to the MESDAQ Market of Bursa Securities.*

3. *As this is the first quarterly report being drawn up, there are no comparative figures for the preceding year corresponding quarter.*

Focus Dynamics Technologies Berhad
(Company No: 582924-P)
Interim Financial Reports for the 1st quarter ended 31 October 2005

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS’) 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim report is prepared in accordance with FRS134 “Interim Financial Reporting” and the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted for the last annual financial statements for the year ended 31 July 2005.

A2. Audit Report of the Preceding Annual Financial Statements

The audit report for the annual financial statements of the Company and its subsidiaries for the financial year ended 31 July 2005 were not subject to any qualification.

A3. Seasonality or Cyclicity of Operations

The Group’s business operation results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported that have material effect on the results for the current quarter under review.

A6. Issuances, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter under review.

A7. Valuation of Property, Plant and Equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have effect in the current financial quarter under review.

A8. Dividend

No dividend has been declared or paid during the current quarter under review.

A9. Segmental Information

The Company is principally an investment holding company. The principal businesses of the Group are principally engaged in the manufacturing, marketing, distribution and sale of industrial instruments for the control of industrial machines and process, R&D of Variable speed drive, providing a range of support services covering project management services, maintenance support, engineering conceptualisation, system audit, energy saving services and other related support services which are substantially within a single business segment, and therefore, segmental reporting is deemed not necessary.

Segmental revenue in geographical areas of the Group for the current quarter and current year to date 30 October 2005 is as follows:

	Current Quarter 31/10/2005 RM'000	Current Year To Date 31/10/2005 RM'000
Segment Revenue		
Domestic	1,497	1,497
Export	716	716
Total revenue	<u>2,213</u>	<u>2,213</u>

Segmental total assets in geographical areas of the Group are as follows:

	As at end of current quarter 31/10/2005 RM'000	As at preceding financial year ended 31/10/2004 RM'000
Total assets		
Domestic	12,014	N/A
Export	-	N/A
Total assets	<u>12,014</u>	<u>N/A</u>

A10. Material Events Subsequent to the End of the Interim Reporting Period

Save as disclosed below, there were no material events subsequent to the current financial quarter ended 31 October 2005 up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

Initial Public Offering (IPO)

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company, the Company undertook an IPO, which was approved by the Securities Commission on 28 March 2005, 15 July 2005, 27 September 2005, 4 October 2005 and 17 November 2005.

The IPO involved the following:-

- (i) Public issue of 11,500,000 new ordinary shares of RM0.10 each at an issue price of RM0.72 per share payable in full on application comprising:
 - (a) 2,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public;
 - (b) 8,500,000 new ordinary shares of RM0.10 each by way of private placement; and
 - (c) 1,000,000 new ordinary shares of RM0.10 each available for application by the eligible directors and employees.
- (ii) Bonus issue of 37,798,890 new ordinary shares of RM0.10 each in the company to be capitalised from the share premium account arising from the public issue on the basis of one (1) new ordinary share of RM0.10 each for each ordinary share of RM0.10 each held after the public issue but prior to the listing.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12. Contingent Liabilities

Save as disclosed in Note B11, there were no material contingent liabilities or contingent assets as at 31 October 2005 and up to the date of this report.

A13. Capital Commitments

There were no material capital commitments as at 31 October 2005 and up to the date of this report.

**Focus Dynamics Technologies Berhad
(Company No: 582924-P)
Interim Financial Reports for the 1st quarter ended 31 October 2005**

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 OCTOBER 2005**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES
BERHAD ('BURSA SECURITIES')**

B1. Review of Performance

For the current quarter under review, the Group achieved a revenue and profit before taxation of RM2.21 million and RM0.58 million respectively mainly attributed to the contribution of existing and new projects for energy efficiency system implementation.

B2. Comparison of Current Quarter Results with the Preceding Quarter

There are no comparison figures in the preceding quarter as this is the Group's first quarterly report as a public listed company.

B3. Prospects for the Current Financial Year

Barring any unforeseen circumstances, the Board is confident and optimistic that the performance of the Group will be satisfactory for the financial year ending 31 July 2006. The Group has sufficient outstanding order backlogs for energy efficiency projects which will contribute positively to the performance of the Group.

B4. Variance on Profit forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

B5. Taxation

In respect of the current period:

**Current quarter
31/10/2005
RM'000**

Income tax expense

43

The effective tax rate for the current period under review was lower than the applicable tax rate of 20% mainly due to one of the subsidiaries in the Group was granted Pioneer Status in principle under the Promotion of Investments Act, 1986 by the Ministry of International Trade and Industry. The approved Pioneer status is granted for the period from 1 February 2002 to 31 January 2007.

B6. Profit on Sale of Unquoted Investment and/or Properties

There was no disposal of unquoted investment or properties during the financial quarter under review.

B7. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the financial quarter under review.

B8. Status of Corporate Proposals

Please refer to Note A10 above.

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings as at 31 October 2005 are as follows:

		RM'000
Short term borrowings		
Bank overdrafts	- secured	206
Bills payable	- secured	449
ECR financing facility	- secured	949
Bankers' acceptance	- secured	2,297
Hire purchase	- unsecured	45
Long term borrowings		
Hire purchase	- unsecured	247
Total Borrowings		<u><u>4,193</u></u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

Save as disclosed below, as at 6 February 2006, we are not involved in any litigation, either as plaintiff or defendant, which has a material effect on our financial position and our Directors have no knowledge of any proceedings pending or threatened or any facts likely to give rise to any proceedings which might materially and adversely affect our financial position or business:

B11. Material Litigation (Cont'd)

On 27 September 2005, FDD ("Defendant") was served with a Writ of Summons dated 12 September 2005 together with a Statement of Claims dated 9 September 2005 by Bridex Singapore Pte Ltd ("Bridex") ("Plaintiff") claiming for a sum of RM254,591.42 (equivalent to USD67,539.84 at the conversion rate of USD1 to RM3.769) for the refund of the purchase price paid in respect of ten (10) units of MX3 227+F+C and six (6) units of MX3 330+F+C for Project T2 A&A, Changi Airport and RM36,028.88 (equivalent to USD9,558.00 at the conversion rate of USD1 to RM3.769) for the refund of purchase price paid in respect of six (6) units of MX3 21 and five (5) units of MX3 29 for Project DSTA and two (2) units of MX3 75 for Project GE Aviation and on general damages, interests, costs and any other relief deemed fit and proper by the Court.

Messrs Saw & Co, the solicitors of FDD have filed a Statement of Defence dated 18 October 2005 with the High Court of Malaysia in Kuala Lumpur, refuting the claims made by the Plaintiff. The Defendant is claiming that on inspection of three (3) units of MX3 227, it was discovered that the first unit had been opened and the DCCT and fan cable had been disconnected, the second unit had metal chips and cable tie in the fan compartment and metal nuts on the heatsink implying that during installation of the unit, chips from the drilling had entered the unit and caused a short circuit on the PCB Board causing the gate driver/IGBT to fail, the third unit was found to contain metal chips in the fan compartment and the ribbon cable was disconnected. When the ribbon cable was reconnected, the unit worked. As the Defendant is of the opinion that the three (3) units in question were mishandled either by third parties or the Plaintiff, the warranty given on those three (3) units were void. The case has been fixed for hearing on 10 February 2006.

B12. Dividend

No dividend has been declared or paid during the current quarter under review.

B13. Earnings Per Share

The earnings per share for the current year to date is calculated by dividing the net profit attributable to shareholders of RM536,406 by the weighted average number of shares in issue of 26,298,890 of Focus shares.

	Current quarter 31/10/2005	Current year to-date 31/10/2005
Net profit (RM'000)	536	536
No of Ordinary shares of RM0.10 par each	26,298,890	26,298,890
Basic Earnings per Ordinary Shares (sen)	2.04 sen	2.04 sen