

**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 2006**  
**THE FIGURES HAVE NOT BEEN AUDITED**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	Note	31/10/2006	31/10/2005	31/10/2006	31/10/2005
		RM	RM	RM	RM
<b>REVENUE</b>	A9	2,808,178	2,213,313	2,808,178	2,213,313
<b>COST OF SALES</b>		<u>(1,931,334)</u>	<u>(1,404,698)</u>	<u>(1,931,334)</u>	<u>(1,404,698)</u>
<b>GROSS PROFIT</b>		876,844	808,615	876,844	808,615
<b>OTHER INCOME</b>		50,913	143,183	50,913	143,183
<b>OPERATING EXPENSES</b>		<u>(622,590)</u>	<u>(316,578)</u>	<u>(622,590)</u>	<u>(316,578)</u>
<b>PROFIT FROM OPERATIONS</b>		305,167	635,220	305,167	635,220
<b>INTEREST INCOME</b>		15,317	10,363	15,317	10,363
<b>INTEREST EXPENSE</b>		<u>(56,526)</u>	<u>(65,927)</u>	<u>(56,526)</u>	<u>(65,927)</u>
<b>PROFIT BEFORE TAXATION</b>		263,958	579,656	263,958	579,656
<b>TAXATION</b>	B5	<u>(51,900)</u>	<u>(43,250)</u>	<u>(51,900)</u>	<u>(43,250)</u>
<b>PROFIT FOR THE PERIOD</b>		<u>212,058</u>	<u>536,406</u>	<u>212,058</u>	<u>536,406</u>
<b>MINORITY INTEREST</b>		-	-	-	-
<b>PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF PARENT</b>		<u><u>212,058</u></u>	<u><u>536,406</u></u>	<u><u>212,058</u></u>	<u><u>536,406</u></u>
<b>Earnings Per Ordinary Share</b>					
- Basic (sen)	B13	0.28	2.04	0.28	2.04
- Diluted (sen)		N/A	N/A	N/A	N/A
<b>Proposed/declared dividend per share (sen)</b>		-	-	-	-

**NOTES:**

*The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2006 and the accompanying explanatory notes to this Interim Financial Statements.*

**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 2006  
THE FIGURES HAVE NOT BEEN AUDITED

	AS AT END OF CURRENT QUARTER <b>31/10/2006</b> Unaudited <u>RM</u>	AS AT PRECEDING FINANCIAL YEAR ENDED <b>31/07/2006</b> Audited <u>RM</u>
<b>NON CURRENT ASSETS</b>		
Plant and equipment	388,729	406,980
Development costs	1,551,394	1,431,244
Deferred tax asset	30,155	30,155
	<u>1,970,278</u>	<u>1,868,379</u>
<b>CURRENT ASSETS</b>		
Inventories	4,815,818	5,282,515
Trade receivables	7,015,526	5,931,654
Other receivables, deposits and prepayments	284,967	94,978
Tax recoverable	20,303	21,603
Deposits with licensed banks	2,030,185	2,729,009
Short-term deposit	990,000	-
Cash in hand and at banks	297,399	665,981
	<u>15,454,198</u>	<u>14,725,740</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,034,411	837,698
Other payables and accruals	793,046	716,949
Amount due to directors	42,200	42,200
Borrowings	3,005,506	2,679,122
Tax payable	196,439	167,504
	<u>5,071,602</u>	<u>4,443,473</u>
NET CURRENT ASSETS	10,382,596	10,282,267
	<u>12,352,874</u>	<u>12,150,646</u>
<b>FINANCED BY:</b>		
SHARE CAPITAL	7,559,778	7,559,778
SHARE PREMIUM	1,550,862	1,550,862
RETAINED PROFIT	3,020,032	2,291,042
SHAREHOLDERS' EQUITY	<u>12,130,672</u>	<u>11,401,682</u>
NEGATIVE GOODWILL	-	516,932
<b>NON CURRENT LIABILITIES</b>		
Borrowings	217,633	227,463
Deferred tax liabilities	4,569	4,569
	<u>12,352,874</u>	<u>12,150,646</u>
Number of ordinary shares at RM0.10 sen par each	75,597,780	75,597,780
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	16.05	15.77

NOTES:

1. *The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2006 and the accompanying explanatory notes to this Interim Financial Statements.*
2. *Net assets per share is derived based on Focus Dynamics Technologies Berhad's net assets of RM12,130,672 (FYE 31/7/06-RM11,918,614) including development cost and negative goodwill over the issued number of ordinary shares of 75,597,780 (FYE 31/7/06 - 75,597,780) of RM0.10 each.*

**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 2006  
 THE FIGURES HAVE NOT BEEN AUDITED

	Share Capital	<-----Non-distributable-----> Share Premium	Negative Goodwill	Distributable Retained Profits	Total
	RM	RM	RM	RM	RM
Balance at 1 August 2006	7,559,778	1,550,862	516,932	2,291,042	11,918,614
Prior year adjustment - effects of adopting FRS 3			(516,932)	516,932	-
Balance at 1 August 2006 (as restated)	<u>7,559,778</u>	<u>1,550,862</u>	-	<u>2,807,974</u>	<u>11,918,614</u>
Profit for the quarters	-			212,058	212,058
Balance at 31 October 2006	<u><u>7,559,778</u></u>	<u><u>1,550,862</u></u>	<u><u>-</u></u>	<u><u>3,020,032</u></u>	<u><u>12,130,672</u></u>

NOTES:

*The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2006 and the accompanying explanatory notes to this Interim Financial Statements.*

**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 2006**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	CUMULATIVE QUARTER CURRENT YEAR TO DATE <b>31/10/2006</b> RM	PRECEDING YEAR CORRESPONDING PERIOD <b>31/10/2005</b> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	1,585,467	1,849,453
Cash payments to suppliers and employees	(1,900,816)	(1,893,956)
Cash used in operations	<u>(315,349)</u>	<u>(44,503)</u>
Interest received	15,317	10,363
Interest paid	(54,001)	(65,927)
Income taxes paid	(21,665)	(15,270)
Net cash used in operating activities	<u>(375,698)</u>	<u>(115,337)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(15,737)	(13,015)
Increase in placement of fixed deposits pledged	(11,176)	(10,363)
Net cash used in investing activities	<u>(26,913)</u>	<u>(23,378)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of banker acceptance	828,000	203,000
Payment of hire purchase interest	(1,683)	(11,215)
Repayment of hire purchase liabilities	(10,677)	(2,159)
Repayment of bills payables	(549,061)	(77,114)
Net cash from financing activities	<u>266,579</u>	<u>112,512</u>
Net decrease in cash and cash equivalent	(136,032)	(26,203)
Cash and cash equivalent at beginning of year	2,165,981	(176,725)
Cash and cash equivalent at end of year	<u>2,029,949</u>	<u>(202,928)</u>
Cash and cash equivalent comprise:		
Cash in hand and at banks	297,399	3,394
Short-term deposit	990,000	-
Fixed deposit with licensed banks	790,000	-
Bank overdraft	(47,450)	(206,322)
	<u>2,029,949</u>	<u>(202,928)</u>

NOTES:

*The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2006 and the accompanying explanatory notes to this Interim Financial Statements.*