

**FOCUS DYNAMICS TECHNOLOGIES BERHAD (Company No: 582924-P)**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**AND QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JANUARY 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/01/2007	31/01/2006	31/01/2007	31/01/2006
		RM	RM	RM	RM
<b>REVENUE</b>	A9	3,773,435	2,348,768	6,581,613	4,562,081
<b>COST OF SALES</b>		<u>(2,845,047)</u>	<u>(1,636,621)</u>	<u>(4,776,381)</u>	<u>(3,041,319)</u>
<b>GROSS PROFIT</b>		928,388	712,147	1,805,232	1,520,762
<b>OTHER INCOME</b>		52,267	122,515	103,180	265,698
<b>OPERATING EXPENSES</b>		<u>(815,743)</u>	<u>(372,197)</u>	<u>(1,438,333)</u>	<u>(688,775)</u>
<b>PROFIT FROM OPERATIONS</b>		164,912	462,465	470,079	1,097,685
<b>INTEREST INCOME</b>		11,735	11,275	27,052	21,638
<b>INTEREST EXPENSE</b>		<u>(44,233)</u>	<u>(40,876)</u>	<u>(100,759)</u>	<u>(106,803)</u>
<b>PROFIT BEFORE TAXATION</b>		132,414	432,864	396,372	1,012,520
<b>TAXATION</b>	B5	<u>(94,786)</u>	<u>(74,450)</u>	<u>(146,686)</u>	<u>(117,700)</u>
<b>PROFIT FOR THE PERIOD</b>		<u>37,628</u>	<u>358,414</u>	<u>249,686</u>	<u>894,820</u>
<b>MINORITY INTEREST</b>		-	-	-	-
<b>PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF PARENT</b>		<u><u>37,628</u></u>	<u><u>358,414</u></u>	<u><u>249,686</u></u>	<u><u>894,820</u></u>
Earnings Per Ordinary Share					
- Basic (sen)	B13	0.05	1.36	0.33	3.40
- Diluted (sen)		N/A	N/A	N/A	N/A
Proposed/declared dividend per share (sen)		-	-	-	-

**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 SECOND QUARTER ENDED 31 JANUARY 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	AS AT END OF CURRENT QUARTER <b>31/01/2007</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	367,754	406,980
Development costs	2,108,341	1,431,244
Deferred tax asset	2,100	30,155
	<u>2,478,195</u>	<u>1,868,379</u>
<b>CURRENT ASSETS</b>		
Inventories	3,671,678	5,282,515
Trade receivables	9,081,705	5,931,654
Other receivables, deposits and prepayments	381,633	94,978
Tax recoverable	18,003	21,603
Deposits with licensed banks	2,404,350	2,729,009
Short-term deposit	200,000	-
Cash in hand and at banks	50,535	665,981
	<u>15,807,904</u>	<u>14,725,740</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,062,620	837,698
Other payables and accruals	1,158,662	716,949
Amount due to directors	1,423	42,200
Borrowings	3,480,541	2,679,122
Tax payable	210,935	167,504
	<u>5,914,181</u>	<u>4,443,473</u>
<b>NET CURRENT ASSETS</b>	9,893,723	10,282,267
	<u>12,371,918</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 PROFITS	3,057,660	2,291,042
SHAREHOLDERS' EQUITY	<u>12,168,300</u>	<u>11,401,682</u>
NEGATIVE GOODWILL	-	516,932
<b>NON CURRENT LIABILITIES</b>		
Borrowings	201,618	227,463
Deferred tax liabilities	2,000	4,569
	<u>12,371,918</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>	16.10	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 RM12,168,300 (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 SECOND QUARTER ENDED 31 JANUARY 2007

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>	-	2,807,974	11,918,614
Profit for the quarters	-			249,686	249,686
Balance at 31 January 2007	<u><u>7,559,778</u></u>	<u><u>1,550,862</u></u>	<u><u>-</u></u>	<u><u>3,057,660</u></u>	<u><u>12,168,300</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 SECOND QUARTER ENDED 31 JANUARY 2007  
THE FIGURES HAVE NOT BEEN AUDITED**

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE <b>31/01/2007</b> RM	PRECEDING YEAR CORRESPONDING PERIOD <b>31/01/2006</b> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	3,789,988	2,394,913
Cash payments to suppliers and employees	<u>(5,128,138)</u>	<u>(2,768,989)</u>
Cash used in operations	(1,338,150)	(374,076)
Interest received	27,052	21,638
Interest paid	(95,709)	(102,485)
Income taxes paid	(74,169)	(15,270)
Net cash used in operating activities	<u>(1,480,976)</u>	<u>(470,193)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(29,653)	(13,795)
Increase in placement of fixed deposits pledged	(22,341)	(221,638)
Net cash used in investing activities	<u>(51,994)</u>	<u>(235,433)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of banker acceptance	739,000	203,000
Payment of hire purchase interest	(4,208)	(4,318)
Repayment of hire purchase liabilities	(26,692)	(22,430)
(Repayment to)/Proceeds from bills payables	(106,761)	188,521
Proceeds from term loan	-	156,667
Net cash from financing activities	<u>601,339</u>	<u>521,440</u>
Net decrease in cash and cash equivalent	(931,631)	(184,186)
Cash and cash equivalent at beginning of year	<u>2,165,981</u>	<u>(176,725)</u>
Cash and cash equivalent at end of year	<u><u>1,234,350</u></u>	<u><u>(360,911)</u></u>
Cash and cash equivalent comprise:		
Cash in hand and at banks	50,535	5,992
Short-term deposit	200,000	-
Fixed deposit with licensed banks	1,153,000	-
Bank overdrafts	<u>(169,185)</u>	<u>(366,903)</u>
	<u><u>1,234,350</u></u>	<u><u>(360,911)</u></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.*