

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 2008

THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 31/10/2008	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2007	CURRENT YEAR TO DATE 31/10/2008	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2007
		RM	RM	RM	RM
REVENUE	A9	5,709,367	5,647,803	5,709,367	5,647,803
COST OF SALES		<u>(4,725,855)</u>	<u>(4,271,299)</u>	<u>(4,725,855)</u>	<u>(4,271,299)</u>
GROSS PROFIT		983,512	1,376,504	983,512	1,376,504
OTHER INCOME		28,632	84,347	28,632	84,347
OPERATING EXPENSES		<u>(1,048,093)</u>	<u>(886,807)</u>	<u>(1,048,093)</u>	<u>(886,807)</u>
(LOSS)/PROFIT FROM OPERATIONS		(35,949)	574,044	(35,949)	574,044
INTEREST INCOME		12,007	12,184	12,007	12,184
INTEREST EXPENSES		(89,626)	(46,264)	(89,626)	(46,264)
SHARE OF RESULTS OF ASSOCIATED COMPANY		<u>(44,825)</u>	<u>13,916</u>	<u>(44,825)</u>	<u>13,916</u>
(LOSS)/PROFIT BEFORE TAXATION		(158,393)	553,880	(158,393)	553,880
TAXATION	B5	37,077	(134,000)	37,077	(134,000)
(LOSS)/PROFIT FOR THE PERIOD		<u>(121,316)</u>	<u>419,880</u>	<u>(121,316)</u>	<u>419,880</u>
MINORITY INTEREST		(9,527)	-	(9,527)	-
(LOSS)/PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF PARENT		<u><u>(130,843)</u></u>	<u><u>419,880</u></u>	<u><u>(130,843)</u></u>	<u><u>419,880</u></u>
Earning/(Loss) Per Ordinary Share					
- Basic (sen)	B13	(0.13)	0.44	(0.13)	0.44
- Diluted (sen)		(0.13)	0.44	(0.13)	0.44
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 2008 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 2008
THE FIGURES HAVE NOT BEEN AUDITED

	AS AT END OF CURRENT QUARTER 31/10/2008 Unaudited	AS AT PRECEDING FINANCIAL YEAR ENDED 31/07/2008 Audited
	RM	RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,904,349	2,969,887
Products development expenditure	1,972,137	2,041,647
Investment in associated companies	276,057	71,922
Other investment	13,000	13,000
Goodwill on consolidation	2,261,580	2,261,580
Deferred tax assets	1,684	1,684
	<u>7,428,807</u>	<u>7,359,720</u>
Current Assets		
Inventories	5,017,664	5,317,276
Trade receivables	10,173,676	10,434,203
Other receivables, deposits and prepayments	919,605	772,308
Amount due from associated companies	766,239	252,988
Tax recoverable	121,979	109,919
Deposits with licensed banks	1,578,825	2,297,379
Short-term deposit	34,370	34,282
Cash in hand and at banks	768,553	718,969
	<u>19,380,911</u>	<u>19,937,324</u>
TOTAL ASSETS	<u><u>26,809,718</u></u>	<u><u>27,297,044</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	10,394,693	10,394,693
Share premium	1,769,372	1,769,372
Warrant reserve	574,972	574,972
Foreign currency translation reserve	25,736	2,350
Retained profits	2,609,697	2,740,540
Equity attributable to equity holders of the Company	<u>15,374,470</u>	<u>15,481,927</u>
Minority interest	103,603	46,993
Total Equity	<u>15,478,073</u>	<u>15,528,920</u>
Liabilities		
Non-Current Liabilities		
Borrowings	2,020,492	2,122,124
Deferred tax liabilities	4,510	4,510
	<u>2,025,002</u>	<u>2,126,634</u>
Current Liabilities		
Trade payables	1,728,243	2,737,683
Other payables and accruals	3,066,912	1,224,421
Amount due to associated companies	155,623	80,671
Amount due to directors	30,973	1,475,238
Borrowings	4,189,205	3,912,640
Tax payable	135,687	210,837
	<u>9,306,643</u>	<u>9,641,490</u>
Total Liabilities	<u>11,331,645</u>	<u>11,768,124</u>
TOTAL EQUITY AND LIABILITIES	<u><u>26,809,718</u></u>	<u><u>27,297,044</u></u>
Number of ordinary shares at RM0.10 sen par each	103,946,925	103,946,925
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.79	14.89

NOTES:

1. The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2008 and the accompanying explanatory notes to this Interim Financial Statements.

2. Net assets per share is derived based on Focus Dynamics Technologies Berhad's consolidated net assets of RM15,374,470 (FYE 31/7/08- RM15,481,927) including products development expenditure over the issued number of ordinary shares of 103,946,925 (FYE 31/7/08 - 103,946,925) 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 2008
THE FIGURES HAVE NOT BEEN AUDITED

	<-----Non-distributable----->				Distributable	
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Total RM
Balance at 1 August 2007	9,449,723	123,093	-	-	2,601,953	12,174,769
Issue of shares	944,970	1,511,952	-	-	-	2,456,922
Right issue	-	370,000	574,972	-	-	944,972
Share issue expenses	-	(82,897)	-	-	-	(82,897)
Right issue expenses	-	(152,776)	-	-	-	(152,776)
Exchange difference	-	-	-	2,350	-	2,350
Profit for the year	-	-	-	-	138,587	138,587
Balance at 31 July 2008	<u>10,394,693</u>	<u>1,769,372</u>	<u>574,972</u>	<u>2,350</u>	<u>2,740,540</u>	<u>15,481,927</u>
Balance at 1 August 2008	10,394,693	1,769,372	574,972	2,350	2,740,540	15,481,927
Loss for the quarter	-	-	-	-	(130,843)	(130,843)
Exchange difference	-	-	-	23,386	-	23,386
Balance at 31 October 2008	<u>10,394,693</u>	<u>1,769,372</u>	<u>574,972</u>	<u>25,736</u>	<u>2,609,697</u>	<u>15,374,470</u>

NOTE:

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 2008 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 2008

THE FIGURES HAVE NOT BEEN AUDITED

	CUMULATIVE QUARTERS	
	CURRENT YEAR TO DATE 31/10/2008 RM	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	2,539,569	3,950,532
Cash payments to suppliers and employees	<u>(3,168,889)</u>	<u>(4,547,426)</u>
Cash used in operations	(629,320)	(596,894)
Interest received	12,007	12,184
Interest paid	(85,415)	(42,048)
Income taxes paid	(51,134)	(149,808)
Net cash used in operating activities	<u>(753,862)</u>	<u>(776,566)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(2,168)	(211,269)
Purchase of investment in associated companies	(248,960)	-
Proceeds from disposal of investment in associated company	-	36,000
Acquisition of subsidiary, net of cash	66,423	-
Increase in placement of fixed deposits pledged	(11,446)	(48,439)
Net cash used in investing activities	<u>(196,151)</u>	<u>(223,708)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of warrants issue expenses	-	(152,776)
Proceeds from bankers acceptance	43,000	124,000
Payment of hire purchase interest	(27,166)	(4,216)
Repayments of hire purchase liabilities	(5,248)	(17,872)
Proceeds to bills payables	211,710	-
Repayments to term loan	(12,618)	-
Proceeds from the issue of warrants	-	944,972
Net cash generated from financing activities	<u>209,678</u>	<u>894,108</u>
Net decrease in cash and cash equivalent	(740,335)	(106,166)
Cash and cash equivalent at beginning of year	<u>1,665,307</u>	<u>1,996,581</u>
Cash and cash equivalent at end of year	<u>924,972</u>	<u>1,890,415</u>
Cash and cash equivalent comprise:		
Cash in hand and at banks	768,553	786,812
Short-term deposit	34,370	28,603
Fixed deposits with licensed banks (unpledged)	200,000	1,075,000
Bank overdraft	<u>(77,951)</u>	<u>-</u>
	<u>924,972</u>	<u>1,890,415</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 2008 and the accompanying explanatory notes to this Interim Financial Statements.