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Focus Dynamics: DPC deal will lift revenue

BY SHILING WOON

PETALING JAYA: Focus Dynamics Technologies Bhd expects its proposed acquisition of DPC Industrial Systems Sdn Bhd to boost revenue in the financial year (FY) ending July 31, 2007, said managing director Kong Kwai Ching.

For the year ended July 31, the company posted a net profit of RM1.48mil on RM9.38mil revenue.

In an announcement to Bursa Malaysia on the proposed acquisition yesterday, Focus Dynamics said DPC had made a profit guarantee of RM600,000 for each of the next three financial years.

The amount is equivalent to 41% of Focus Dynamics' net profit in FY2005.

"We are confident that the acquisition will increase our group revenue significantly this fiscal year," Kong told *StarBiz*, adding that it was a win-win situation for both parties as this would grow their customer base locally and globally.



Kong Kwai Ching

DPC is a Johor-based company, which is principally engaged in the design, installation and implementation of automation systems for the energy resource based industry, as well as providing other related products and services.

Its customers are mainly plantation companies, including Felda Palm Industries Sdn Bhd, Golden Hope Plantations Bhd, Asiatic Development Bhd and IOI Corp Bhd.

Focus Dynamics has proposed to acquire 300,000 RM1 shares in DPC, representing 100% equity interest, for RM3.2mil cash.

Kong said Focus Dynamics would leverage on DPC's expertise to enhance its products and services, while DPC would utilise Focus Dynamics' energy efficient automotive equipment.

DPC director Wong Mun Leong said the company intended to gain a strong foothold in Indonesia and Thailand via Focus Dynamics' well-established customer base in these countries.

It has had a presence in these countries since 2003, with exports contributing 15% to sales.

Wong said the company was also looking at expanding to South Africa within the next few years but did not elaborate.

For the seven months ended July 31, DPC posted a net profit of RM332,753 on revenue of RM4.45mil.

On Focus Dynamics' business outlook, Kong said the company expected to secure some major government contracts to provide energy-efficient products and services in the first quarter of next year.

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It also aimed at identifying more local and foreign energy related companies to acquire for future growth.

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