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Focus Dynamics to produce energy-saving products in China

**KUALA LUMPUR:** Focus Dynamics Technologies Bhd will start making energy-saving products at its first overseas production base in China come October, said managing director Kong Kwai Ching.

He expects the China operations to contribute RM50mil to group revenue over the next five years.

The plant belongs to its joint venture (JV) partner, China-based Wakong International Group Corp Ltd. Focus, which makes energy-saving products, systems and equipment in Petaling Jaya, yesterday signed a JV manufacturing agreement with Wakong and appointed Shanghai Okon Electric Tech Co Ltd sole distributor of its products in China.

"The JV is expected to contribute RM2mil in its first year of operations. We already have an initial sales contract worth over RM360,000 from Shanghai," Kong said.



From left: Wakong MD Zhao Ti, Kong Kwai Ching and Shanghai Okon Electric Tech Co Ltd vice-president of sales Zhou Guang Zhong

Over the next three years, the JV is projected to capture 40 million renminbi of China's 6.1 billion renminbi energy-saving products market.

Under the agreement, Wakong and Focus will set up a 49:51 JV company Focus Dynamics (Beijing) Ltd that will have a paid-up capital of RM1mil.

The JV company will produce and market energy-efficient products, such as variable speed drivers known as the MX3 drive, alpha drives and soft starters for the China market.

Focus has distribution networks in countries like Indonesia, Taiwan, Hong Kong, India and Australia, which last year contributed 30% of its sales.

Kong said Focus was currently in advanced talks with its Indonesian and Thai partners to distribute its energy-efficient products in their countries.

"We expect to finalise the agreements within two months and penetrate these markets by year-end," he said.

He added that the company planned to launch its newly developed energy-saving products in Malaysia early next year to meet local customer demand.



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