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Focus Dynamics sees 10-fold jump in revenue in 5 years

By Tamimi Omar

EdgeDaily Exclusives

Focus Dynamics Technologies Bhd's annual revenue may jump tenfold to RM50 million within five years stemming mainly from its expansion into China, its managing director Kong Kwai Ching said.

He said it was also mulling over moving its manufacturing operations to China upon the expiry of its pioneer status in Malaysia next February and may set up facilities in Thailand and Indonesia.

The industrial energy management company yesterday signed a joint venture (JV) deal with Wakong International Group Corporation Ltd and Shanghai Okon Electric Tech Co Ltd to form Focus Dynamics (Beijing) Ltd.

Kong said the JV would have an assembly plant, which may be located either in Shanghai or Beijing, with an initial investment of RM1 million.

The China plant, with an initial production capacity of 150MW per year, will start to make variable speed drives (VSDs) in six months. VSDs gives maximum motor energy efficiency for air conditioning and for the manufacturing sector.

Focus Dynamics will hold 51% of the JV, involving an investment of RM510,000, which will be funded via the proceeds of its listing exercise last February.

"We have teamed up with the right Chinese partners to ensure that our entry to China will generate efficient return on investment to the company and shareholders starting in the year ending July 31, 2007.

"The joint venture is expected to contribute RM2 million in sales (to Focus Dynamics) within the first year of operations," Kong told reporters in Kuala Lumpur on Aug 22 after the signing ceremony.

He said the JV already had in-hand a sales contract worth RM360,000 from Shanghai Okon.

Kong said Focus Dynamics was looking to have similar agreements with companies in Thailand and Indonesia and hoped to announce the outcome of the discussions within the next few months.

On the possibility of moving its operations to China, he said that the country, which has an energy efficiency market estimated at RMB6.1 billion (RM2.8 billion), offered it a lot of opportunities for growth.

Kong said Focus Dynamics was in the final stages of completing of a merger and acquisition exercise with another company to grow its business vertically but declined to elaborate.

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