

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Unaudited As at 31.12.2020 RM'000	Audited As at 31.12.2019 RM'000
<b>Assets</b>		
Property, plant and equipment	359,311	343,886
Right of Use Assets	55,019	29,695
Intangible assets	71,201	71,216
Investment in associates	6,094	10,032
Deferred tax assets	22,153	21,883
Receivables	4,536	4,449
<b>Total non-current assets</b>	<b>518,314</b>	<b>481,161</b>
Receivables, deposits and prepayments	170,338	210,034
Contract assets	128,692	146,333
Inventories	216,204	183,380
Current tax assets	4,967	3,036
Derivative assets	-	120
Cash and cash equivalents	310,513	289,228
<b>Total current assets</b>	<b>830,714</b>	<b>832,131</b>
<b>Total assets</b>	<b>1,349,028</b>	<b>1,313,292</b>
<b>Equity</b>		
Share capital	162,983	162,745
Reserves	575,898	552,657
<b>Total equity attributable to owners of the Company</b>	<b>738,881</b>	<b>715,402</b>
<b>Non-controlling interests</b>	<b>33,729</b>	<b>35,270</b>
<b>Total equity</b>	<b>772,610</b>	<b>750,672</b>
<b>Liabilities</b>		
Loans and borrowings	19,990	8,534
Lease liabilities	28,335	12,696
Deferred tax liabilities	15,772	14,961
<b>Total non-current liabilities</b>	<b>64,097</b>	<b>36,191</b>
Provisions for warranties	34,698	37,567
Payables and accruals	248,978	231,252
Contract liabilities	168,599	189,134
Leases liabilities	14,811	9,039
Loans and borrowings	42,070	44,810
Current tax liabilities	3,024	14,618
Derivative liabilities	141	9
<b>Total current liabilities</b>	<b>512,321</b>	<b>526,429</b>
<b>Total liabilities</b>	<b>576,418</b>	<b>562,620</b>
<b>Total equity and liabilities</b>	<b>1,349,028</b>	<b>1,313,292</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.30</b>	<b>3.20</b>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**FAVELLE FAVCO BHD**

Registration No.: 199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020 (4TH QUARTER)****(The figures have not been audited)**

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A9	181,786	220,289	554,252	687,994
Cost of sales, other income and operating expenses		(161,330)	(172,227)	(492,411)	(571,644)
<b>Results from operating activities</b>		20,456	48,062	61,841	116,350
Finance income		5,993	2,431	10,035	8,712
Finance costs		(1,128)	(2,132)	(2,821)	(3,115)
<b>Operating profit</b>	B5	25,321	48,361	69,055	121,947
Share of profit/(loss) of associates, net of tax		(1,098)	40	(3,937)	(2,154)
<b>Profit before tax</b>		24,223	48,401	65,118	119,793
Tax expense	B6	(1,342)	(13,329)	(14,725)	(30,082)
<b>Profit for the period</b>		22,881	35,072	50,393	89,711
<b>Other comprehensive (expenses)/ income, net of tax</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		3,206	46	10,891	(4,920)
<b>Other comprehensive income for the period, net of tax</b>		3,206	46	10,891	(4,920)
<b>Total comprehensive income for the period</b>		26,087	35,118	61,284	84,791
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		21,057	27,854	44,650	82,658
Non-controlling interests		1,824	7,218	5,743	7,053
<b>Profit for the period</b>		22,881	35,072	50,393	89,711
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		24,282	27,923	55,664	77,645
Non-controlling interests		1,805	7,195	5,620	7,146
<b>Total comprehensive income for the period</b>		26,087	35,118	61,284	84,791
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	9.40	10.57	19.94	37.18
Diluted (Sen)	B11	9.40	10.48	19.94	36.79

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020 (4TH QUARTER)**

(The figures have not been audited)

	←← Attributable to owners of the Company →→					→ Distributable			
	←← Non-Distributable →→								
	Share Capital RM'000	Translation Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total attributable to owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
<b>12 months ended 31 December 2020</b>									
<b>As at 1 January 2020</b>	162,745	3,565	22,217	6,083	(21)	520,813	715,402	35,270	750,672
Profit/(loss) for the period	-	-	-	-	-	44,650	44,650	5,743	50,393
Foreign currency translation	-	11,014	-	-	-	-	11,014	(123)	10,891
Total comprehensive income for the period	-	11,014	-	-	-	44,650	55,664	5,620	61,284
- Transfer to share capital for share options exercised	55	-	-	(55)	-	-	-	-	-
- Share-based payments	-	-	-	1,222	-	-	1,222	-	1,222
- Issue of ordinary shares	183	-	-	-	-	-	183	-	183
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(7,161)	(7,161)
- Dividends to shareholders	-	-	-	-	-	(33,590)	(33,590)	-	(33,590)
<b>As at 31 December 2020</b>	<b>162,983</b>	<b>14,579</b>	<b>22,217</b>	<b>7,250</b>	<b>(21)</b>	<b>531,873</b>	<b>738,881</b>	<b>33,729</b>	<b>772,610</b>
<b>12 months ended 31 December 2019</b>									
<b>As at 1 January 2019</b>	155,170	8,579	22,217	5,500	(21)	468,266	659,711	30,103	689,814
Profit for the period	-	-	-	-	-	82,658	82,658	7,053	89,711
Foreign currency translation	-	(5,014)	-	-	-	-	(5,014)	94	(4,920)
Total comprehensive income for the period	-	(5,014)	-	-	-	82,658	77,644	7,147	84,791
- Transfer to share capital for share options exercised	1,785	-	-	(1,785)	-	-	-	-	-
- Share-based payments	-	-	-	2,368	-	-	2,368	-	2,368
- Issue of ordinary shares	5,790	-	-	-	-	-	5,790	-	5,790
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,980)	(1,980)
- Dividends to shareholders	-	-	-	-	-	(30,111)	(30,111)	-	(30,111)
<b>As at 31 December 2019</b>	<b>162,745</b>	<b>3,565</b>	<b>22,217</b>	<b>6,083</b>	<b>(21)</b>	<b>520,813</b>	<b>715,402</b>	<b>35,270</b>	<b>750,672</b>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (4TH QUARTER)  
(The figures have not been audited)**

	Unaudited Period ended 31.12.2020 RM'000	Audited Period ended 31.12.2019 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	65,118	119,793
Adjustments for:		
Amortisation of intangible assets	17	64
Allowance for impairment losses	485	35,211
Reversal of impairment losses	(16,228)	(25,534)
Allowance for slow moving inventories	85	4,836
Amortisation of right-of-use assets	7,534	5,975
Bad debts written off	627	43
Depreciation of property, plant and equipment	26,046	21,824
Finance costs	2,821	3,115
Finance income	(10,035)	(8,712)
Gain on disposal of property, plant and equipment	(537)	(102)
(Gain)/loss on foreign exchange	(6,001)	9,625
(Gain)/loss on derivatives	329	250
Property, plant and equipment written off	16	28
Provision for warranties	3,948	11,334
Provision of foreseeable losses	-	332
Share-based payments	1,222	2,368
Share of loss/(profit) of equity accounted associates	3,937	2,154
Reversal of provision for warranties	(8,963)	(4,469)
Reversal of provision for Liquidated and ascertained damages	-	(10,046)
Write-back of Inventories	(85)	-
Writedown of inventories	5,633	5,254
Operating profit/(loss) before changes in working capital	<u>75,969</u>	<u>173,343</u>
Changes in working capital:		
Inventories	(38,457)	(29,350)
Payables and accruals	(2,806)	(39,224)
Receivables, deposits and prepayments	81,264	(37,074)
Cash generated from/(used in) operations	<u>115,970</u>	<u>67,695</u>
Interest received	5,094	7,715
Interest paid	(2,258)	(2,276)
Warranties paid	(101)	(379)
Income tax paid	(28,054)	(19,163)
<b>Net cash generated from/(used in) operating activities</b>	<u>90,651</u>	<u>53,592</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(66,484)	(61,854)
Proceeds from disposal of property, plant and equipment	5,790	2,553
<b>Net cash generated from/(used in) investing activities</b>	<u>(60,694)</u>	<u>(59,301)</u>

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (4TH QUARTER)  
(cont'd)**

	Unaudited Period ended 31.12.2020 RM'000	Unaudited Period ended 31.12.2019 RM'000
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders of the Company	(33,590)	(30,111)
Proceeds from issue of shares under SIS scheme	183	5,790
Payment of deferred consideration	-	(15,566)
Dividend paid to non-controlling interests	(7,161)	(1,980)
Net proceeds/(repayment) of loans and borrowings	45,766	(4,777)
<b>Net cash generated from/(used in) financing activities</b>	<u>5,198</u>	<u>(46,644)</u>
<b>Exchange differences on translation of the financial statements of foreign operations</b>	3,839	(2,534)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>38,994</u>	<u>(54,887)</u>
<b>Cash and cash equivalents at 1 January</b>	263,544	318,653
<b>Effect of exchange rate fluctuations on cash held</b>	998	(222)
<b>Cash and cash equivalents at 31 December</b>	<u>303,536</u>	<u>263,544</u>

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	31.12.2020 RM'000	31.12.2019 RM'000
Cash and bank balances	86,993	83,953
Short Term Investment	146,296	91,433
Deposit placed with licensed banks	77,224	113,842
Cash and cash equivalents per balance sheet	<u>310,513</u>	<u>289,228</u>
Bank overdrafts	(6,977)	(25,684)
	<u>303,536</u>	<u>263,544</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

## FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

### ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2020 (4TH QUARTER)

#### A NOTES TO THE INTERIM FINANCIAL STATEMENTS

##### A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), including compliance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

##### A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2019 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2020:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective date</u>
• Amendments to MFRS 3: Definition of a Business	1 January 2020
• Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
• Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020

The adoption of the above amendments and Annual Improvements to Standards did not have any material impact on the Group and the Company's financial statements upon their initial application.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments, if any)</u>	<u>Effective Date</u>
• MFRS 17 Insurance Contracts	1 January 2021
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
• Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2022
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

##### A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The Auditors' Report of the financial statements for the preceding financial year ended 31 December 2019 was not subject to any qualification.

##### A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

##### A5. EXCEPTIONAL/UNUSUAL ITEMS

There are no exceptional or unusual items affecting financial statements of the Group for the current quarter under review.

## A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

### A6. MATERIAL CHANGES IN ESTIMATES

There are no material changes in estimates of amounts that have material effect in the current quarter under review.

### A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter under review.

### A8. DIVIDENDS PAID

A first & final tax-exempt dividend of 15.0 sen per ordinary shares totalling RM33.6 million in respect of the year ended 31 December 2019, paid on 24 November 2020.

### A9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Cranes RM'000	Intelligent Automation RM'000	Consolidated RM'000
<b>Revenue</b>			
Inside Malaysia	118,928	128,306	247,234
Outside Malaysia	307,018	-	307,018
	<u>425,946</u>	<u>128,306</u>	<u>554,252</u>
<b>Profit before tax</b>	41,157	23,961	<b>65,118</b>
Segment assets	1,181,798	161,136	1,342,934
Investments in associates	6,094	-	6,094
<b>Total assets</b>	<u>1,187,892</u>	<u>161,136</u>	<u>1,349,028</u>
<b>Segments liabilities</b>	<u>536,512</u>	<u>39,906</u>	<u>576,418</u>

### A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes to the valuation of property, plant & equipment brought forward from the previous annual financial statements.

### A11. MATERIAL SUBSEQUENT EVENT

There were no material subsequent event from the end of the quarter to 19 March 2021, which is likely to substantially affect the results of the operations of the Company.

### A12. CHANGES IN THE GROUP'S COMPOSITION

There were no change in the Group's composition in the current quarter under review.

### A13. CONTINGENT ASSETS/LIABILITIES

Please refer to note B9 for contingent assets/liabilities for the Group.

### A14. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2020 and up to 19 March 2021.

## **B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

### **B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q4 2020 vs YTD Q4 2019)**

The Group reported consolidated revenue of RM554.3 million with profit before tax of RM65.1 million as compared to revenue of RM688.0 million with profit before tax of RM119.8 million in the previous financial year ended 31 December 2019.

The decrease in the group profit before tax was mainly due to decrease in sales.

### **B2. COMPARISON WITH PRECEDING QUARTER RESULT (2020 Q4 vs 2020 Q3)**

The Group recorded a revenue of RM181.8 million with profit before tax of RM24.2 million for the current quarter as compared to the revenue of RM130.4 million with profit before tax of RM13.3 million in the preceding quarter, the increase in group profit was mainly due to increase in sales.

### **B3. GROUP'S CURRENT YEAR PROSPECT**

Despite the challenging outlook in the current market, the Group has outstanding order book of approximately RM543 million (including order book of Intelligent Automation of RM63 million) as at 19 March 2021 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

As the global economy is preparing for economic slowdown or even recession for the year as result of the Covid-19 pandemic, Bank Negara Malaysia press release on 11 February 2021 show for 2020 as a whole, the economy contracted by 5.6%. The overall situation is expected to remain challenging for now as nations worldwide are putting in place respective responses to contain the Covid-19 pandemic and introducing both monetary and fiscal stimulus packages to support the economy and prevent from catastrophic recession.

The Group will be taking appropriate measures and actions to cater for its business undertaking moving forward.

### **B4. PROFIT FORECAST**

The Group has not issued any profit forecast to the relevant authorities and is not subject to any profit guarantee.

### **B5. OPERATING PROFIT**

	Current Quarter 31.12.2020 RM'000	Cumulative Qtr To-date 31.12.2020 RM'000
<b>Operating profit is arrived at after (crediting)/charging the following:</b>		
Depreciation and amortization	5,267	26,063
Allowance for impairment loss/(gain)	(10,054)	(15,743)
Allowance for slow moving inventories	718	5,718
Provision for restructuring costs	(4,000)	-
Foreign exchange (gain)/loss	459	(6,001)
(Gain)/loss on derivatives	312	329
(Gain)/loss on disposal of property, plant and equipment	(58)	(537)
Other Income	(2,209)	(7,922)
Finance costs	1,128	2,821
Interest income	(5,993)	(10,035)

--- The rest of this page has been intentionally left blank ---



**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)**

**B6. TAXATION**

	Current Quarter 31.12.2020 RM'000	Cumulative Qtr To-date 31.12.2020 RM'000
<b>Current tax expense</b>		
Malaysian Tax	(6,519)	(6,918)
Overseas	2,401	(7,610)
	(4,118)	(14,528)
<b>Deferred taxation expense</b>		
Malaysian Tax	2,895	(318)
Overseas	(119)	121
	2,776	(197)
<b>Total tax expense</b>	<b>(1,342)</b>	<b>(14,725)</b>

**B7. CORPORATE PROPOSAL**

There is no other proposal announced but pending implementation as at the date of this report.

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

	Foreign currency		RM'000
	Currency	Amount	
a) Short term borrowings			
- Secured	RM	505	505
	DKK	23,306	15,477
	AUD	1,293	4,004
	Sub-total		19,986
- Unsecured	RM	21,558	21,558
	USD	131	526
<b>Total short term borrowings</b>			<b>42,070</b>
b) Long term borrowings			
- Secured	RM	8,144	8,144
	DKK	17,838	11,846
<b>Total long term borrowings</b>			<b>19,990</b>
<b>Total borrowings</b>			<b>62,060</b>

--- The rest of this page has been intentionally left blank ---

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)**

**B9. CHANGES IN MATERIAL LITIGATION**

There is no ongoing litigation that may have any material impact on the financial position of the Group.

**B10. PROPOSED DIVIDENDS**

The directors recommend a first and final tax exempt dividend of 8 sen per ordinary share in respect of the financial ended 31 December 2020 subject to approval of the shareholders at the forthcoming Annual General Meeting. The payable final dividend is amounted to RM17.915 million.

The first and final dividend for 2020 is computed based on the issued and paid up share capital (excluding treasury share) of 223,934,763 ordinary shares as at 31 December 2020

**B11. EARNINGS PER ORDINARY SHARE ("EPS")**

a) Basic EPS

Basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter 31.12.2020	Cumulative Qtr To-date 31.12.2020
Profit attributable to owners of the Company (RM'000)	21,057	44,650
Weighted average number of ordinary shares in issue ('000)	223,935	223,927
Basic EPS (Sen)	9.40	19.94

b) Diluted EPS

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effect of all potential ordinary shares, ie share options granted to employees.

	Current Quarter 31.12.2020	Cumulative Qtr To-date 31.12.2020
Profit attributable to owners of the Company (RM'000)	21,057	44,650
Weighted average number of ordinary shares in issue ('000)	223,935	223,927
Effect of dilution ('000) *	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	223,935	223,927
Diluted EPS (Sen)	9.40	19.94

\* Potential shares are dilutive only when the average market price for the ordinary shares during the period exceeds the exercise price of the options.

**B12. COMPARATIVE FIGURES**

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

**By order of the Board of Directors**

**Company Secretary**

**Date: 25 March 2021**