

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	Unaudited As at 31.03.2021 RM'000	Audited As at 31.12.2020 RM'000
<b>Assets</b>		
Property, plant and equipment	413,597	418,028
Intangible assets	71,201	71,201
Investment in associates	5,472	6,094
Deferred tax assets	22,355	22,153
Receivables	4,730	4,536
<b>Total non-current assets</b>	<u>517,355</u>	<u>522,012</u>
Receivables, deposits and prepayments	180,159	184,390
Contract assets	167,064	126,642
Inventories	196,354	197,804
Current tax assets	8,112	6,097
Derivative assets	20	-
Cash and cash equivalents	309,283	310,474
<b>Total current assets</b>	<u>860,992</u>	<u>825,407</u>
<b>Total assets</b>	<u>1,378,347</u>	<u>1,347,419</u>
<b>Equity</b>		
Share capital	162,983	162,983
Reserves	587,985	575,462
<b>Total equity attributable to owners of the Company</b>	<u>750,968</u>	<u>738,445</u>
<b>Non-controlling interests</b>	<u>33,687</u>	<u>33,848</u>
<b>Total equity</b>	<u>784,655</u>	<u>772,293</u>
<b>Liabilities</b>		
Loans and borrowings	48,093	48,820
Payables and accruals	858	68
Deferred tax liabilities	17,867	17,882
<b>Total non-current liabilities</b>	<u>66,818</u>	<u>66,770</u>
Provisions for warranties	35,872	34,698
Payables and accruals	276,020	243,591
Contract liabilities	165,682	173,835
Loans and borrowings	48,390	54,656
Current tax liabilities	533	1,435
Derivative liabilities	377	141
<b>Total current liabilities</b>	<u>526,874</u>	<u>508,356</u>
<b>Total liabilities</b>	<u>593,692</u>	<u>575,126</u>
<b>Total equity and liabilities</b>	<u>1,378,347</u>	<u>1,347,419</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>3.35</u>	<u>3.30</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 PERIOD ENDED 31 MARCH 2021 (1ST QUARTER)

(The figures have not been audited)

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.03.2021	31.03.2020	31.03.2021	31.03.2020
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A9	122,105	144,627	122,105	144,627
Cost of sales, other income and operating expenses		(109,262)	(128,094)	(109,262)	(128,094)
<b>Results from operating activities</b>		12,843	16,533	12,843	16,533
Finance income		799	752	799	752
Finance costs		(316)	(540)	(316)	(540)
<b>Operating profit</b>	B5	13,326	16,745	13,326	16,745
Share of profit/(loss) of associates, net of tax		(622)	(688)	(622)	(688)
<b>Profit before tax</b>		12,704	16,057	12,704	16,057
Tax expense	B6	(956)	(3,692)	(956)	(3,692)
<b>Profit for the period</b>		11,748	12,365	11,748	12,365
<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		467	(1,261)	467	(1,261)
<b>Other comprehensive income for the period, net of tax</b>		467	(1,261)	467	(1,261)
<b>Total comprehensive income for the period</b>		12,215	11,104	12,215	11,104
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		11,828	11,908	11,828	11,908
Non-controlling interests		(80)	457	(80)	457
<b>Profit for the period</b>		11,748	12,365	11,748	12,365
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		12,376	10,697	12,376	10,746
Non-controlling interests		(161)	407	(161)	358
<b>Total comprehensive income for the period</b>		12,215	11,104	12,215	11,104
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	5.28	5.32	5.28	5.32
Diluted (Sen)	B11	5.28	5.32	5.28	5.32

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2021 (1ST 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>3 months ended 31 March 2021</b>									
<b>As at 1 January 2021</b>	162,983	14,295	22,193	7,250	(21)	531,745	738,445	33,848	772,293
Profit/(loss) for the period	-	-	-	-	-	11,828	11,828	(80)	11,748
Foreign currency translation	-	548	-	-	-	-	548	(81)	467
Total comprehensive income for the period	-	548	-	-	-	11,828	12,376	(161)	12,215
Contribution by and distribution to owners of the Company									
- Share-based payments	-	-	-	147	-	-	147	-	147
<b>As at 31 March 2021</b>	<b>162,983</b>	<b>14,843</b>	<b>22,193</b>	<b>7,397</b>	<b>(21)</b>	<b>543,573</b>	<b>750,968</b>	<b>33,687</b>	<b>784,655</b>
<b>3 months ended 31 March 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 for the period	-	-	-	-	-	11,908	11,908	457	12,365
Foreign currency translation	-	(1,162)	-	-	-	-	(1,162)	(99)	(1,261)
Total comprehensive income for the period	-	(1,162)	-	-	-	11,908	10,746	358	11,104
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	55	-	-	(55)	-	-	-	-	-
- Share-based payments	-	-	-	306	-	-	306	-	306
- Issue of ordinary shares	183	-	-	-	-	-	183	-	183
<b>As at 31 March 2020</b>	<b>162,983</b>	<b>2,403</b>	<b>22,217</b>	<b>6,334</b>	<b>(21)</b>	<b>532,721</b>	<b>726,637</b>	<b>35,628</b>	<b>762,265</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2021 (1ST QUARTER)  
(The figures have not been audited)**

	Unaudited Period ended 31.03.2021 RM'000	Unaudited Period ended 31.03.2020 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	12,704	16,057
Adjustments for:		
Amortisation of intangible assets	-	8
Allowance for impairment losses	1,607	704
Reversal of impairment losses	(286)	(3,497)
Amortisation of right-of-use assets	782	1,455
Depreciation of property, plant and equipment	4,221	6,402
Finance costs	316	540
Finance income	(799)	(752)
Gain on disposal of property, plant and equipment	(172)	3
(Gain)/loss on foreign exchange	(4,802)	(4,369)
(Gain)/loss on derivatives	236	1,195
Property, plant and equipment written off	-	16
Provision for warranties	972	653
Share-based payments	147	306
Share of loss/(profit) of equity accounted associates	622	688
Reversal of provision for warranties	(113)	(2,327)
Writedown of inventories	-	(455)
Operating profit/(loss) before changes in working capital	15,435	16,627
Changes in working capital:		
Inventories	1,450	(6,608)
Payables and accruals	23,032	(15,781)
Receivables, deposits and prepayments	(33,892)	22,686
Cash generated from/(used in) operations	6,025	16,924
Interest received	788	746
Interest paid	(277)	(501)
Warranties paid	(267)	(9)
Income tax paid	(3,854)	(5,011)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,415</b>	<b>12,149</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(500)	(12,500)
Proceeds from disposal of property, plant and equipment	186	6
<b>Net cash generated from/(used in) investing activities</b>	<b>(314)</b>	<b>(12,494)</b>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2021 (1ST QUARTER)  
(cont'd)**

	Unaudited Period ended 31.03.2021 RM'000	Unaudited Period ended 31.03.2020 RM'000
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under SIS scheme	-	183
Net proceeds/(repayment) of loans and borrowings	(7,026)	(4,422)
<b>Net cash generated from/(used in) financing activities</b>	<u>(7,026)</u>	<u>(4,239)</u>
<b>Exchange differences on translation of the financial statements of foreign operations</b>	2,936	(7,720)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(1,989)</u>	<u>(12,304)</u>
<b>Cash and cash equivalents at 1 January</b>	303,497	263,544
<b>Effect of exchange rate fluctuations on cash held</b>	903	1,130
<b>Cash and cash equivalents at 31 March</b>	<u>302,411</u>	<u>252,370</u>

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

	31.03.2021 RM'000	31.03.2020 RM'000
Cash and bank balances	85,731	111,259
Short Term Investment	159,076	82,515
Deposit placed with licensed banks	64,476	85,850
Cash and cash equivalents per balance sheet	<u>309,283</u>	<u>279,624</u>
Bank overdrafts	(6,872)	(27,254)
	<u>302,411</u>	<u>252,370</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

## FAVELLE FAVCO BHD

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### ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2021 (1ST 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 2020. 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 2020.

##### A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2021:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective date</u>
• Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
• Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021

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>
• Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
• Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
• MFRS 17 Insurance Contracts	1 January 2023
• Amendments to MFRS 17 Insurance Contracts	1 January 2023
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
• 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 2020 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

There is no dividend paid for the financial quarter under review.

### 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	48,339	13,717	62,056
Outside Malaysia	60,049	-	60,049
	<u>108,388</u>	<u>13,717</u>	<u>122,105</u>
<b>Profit before tax</b>	12,212	492	12,704
Segment assets	1,215,807	157,068	1,372,875
Investments in associates	5,472	-	5,472
<b>Total assets</b>	<u>1,221,279</u>	<u>157,068</u>	<u>1,378,347</u>
<b>Segments liabilities</b>	<u>558,515</u>	<u>35,177</u>	<u>593,692</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 May 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 March 2021 and up to 19 May 2021.

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

**B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q1 2021 vs YTD Q1 2020)**

The Group reported consolidated revenue of RM122.1 million with profit before tax of RM12.7 million as compared to revenue of RM144.6 million with profit before tax of RM16.1 million in the previous financial year ended 31 March 2020.

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

**B2. COMPARISON WITH PRECEDING QUARTER RESULT (2021 Q1 vs 2020 Q4)**

The Group recorded a revenue of RM122.1 million with profit before tax of RM12.7 million for the current quarter as compared to the revenue of RM181.8 million with profit before tax of RM24.2 million in the preceding quarter, the decrease in group profit was mainly due to decrease in sales.

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

Despite the challenging outlook in the current market, the Group has outstanding order book of approximately RM534 million (including order book of Intelligent Automation of RM85 million) as at 19 May 2021 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

With the global economic slowdown for year 2020 as result of the Covid-19 pandemic, the slow order intake of 2020 will be felt in 2021. The overall situation is expected to remain challenging. The Group will be taking appropriate measures and actions to cater for its business undertakings.

**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 31.03.2021 RM'000	Cumulative Qtr To-date 31.03.2021 RM'000
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**Operating profit is arrived at after (crediting)/charging the following:**

Depreciation and amortization	4,221	4,221
Allowance for impairment loss/(gain)	1,321	1,321
Foreign exchange (gain)/loss	(4,802)	(4,802)
(Gain)/loss on derivatives	236	236
(Gain)/loss on disposal of property, plant and equipment	(172)	(172)
Other Income	(4,506)	(4,506)
Finance costs	316	316
Interest income	(799)	(799)

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

**B6. TAXATION**

	Current Quarter 31.03.2021 RM'000	Cumulative Qtr To-date 31.03.2021 RM'000
<b>Current tax expense</b>		
Malaysian Tax	(252)	(252)
Overseas	(685)	(685)
	(937)	(937)
<b>Deferred taxation expense</b>		
Malaysian Tax	53	53
Overseas	(72)	(72)
	(19)	(19)
<b>Total tax expense</b>	<b>(956)</b>	<b>(956)</b>

**B7. CORPORATE PROPOSAL**

The Group has no outstanding corporate proposals for the quarter under review.

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

	Foreign currency		RM'000
	Currency	Amount	
a) Short term borrowings			
- Secured	RM	533	533
	DKK	42,220	27,619
	AUD	558	1,763
	Sub-total		29,915
- Unsecured	RM	17,932	17,932
	USD	131	543
<b>Total short term borrowings</b>			<b>48,390</b>
b) Long term borrowings			
- Secured	RM	8,034	8,034
	DKK	61,236	40,059
<b>Total long term borrowings</b>			<b>48,093</b>
<b>Total borrowings</b>			<b>96,483</b>

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**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 did not declare any interim dividend for the financial quarter under review.

**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 31.03.2021	Cumulative Qtr To-date 31.03.2021
Profit attributable to owners of the Company (RM'000)	11,828	11,828
Weighted average number of ordinary shares in issue ('000)	223,935	223,935
Basic EPS (Sen)	5.28	5.28

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 31.03.2021	Cumulative Qtr To-date 31.03.2021
Profit attributable to owners of the Company (RM'000)	11,828	11,828
Weighted average number of ordinary shares in issue ('000)	223,935	223,935
Effect of dilution ('000) *	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	223,935	223,935
Diluted EPS (Sen)	5.28	5.28

\* 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 May 2021**