

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Unaudited As at 31.3.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>Assets</b>		
Property, plant and equipment	536,771	543,719
Intangible assets	75,283	75,283
Investment in associates	4,228	3,857
Deferred tax assets	30,037	28,753
Long-term funds	8,067	8,153
Receivables	7,081	6,885
<b>Total non-current assets</b>	<b>661,467</b>	<b>666,650</b>
Receivables, deposits and prepayments	191,159	235,803
Contract assets	166,411	151,245
Inventories	251,332	229,836
Current tax assets	402	2,313
Derivative assets	-	499
Cash and cash equivalents	190,470	164,861
<b>Total current assets</b>	<b>799,774</b>	<b>784,557</b>
<b>Total assets</b>	<b>1,461,241</b>	<b>1,451,207</b>
<b>Equity</b>		
Share capital	195,273	195,072
Reserves	581,206	569,718
<b>Total equity attributable to owners of the Company</b>	<b>776,479</b>	<b>764,790</b>
<b>Non-controlling interests</b>	<b>24,832</b>	<b>22,859</b>
<b>Total equity</b>	<b>801,311</b>	<b>787,649</b>
<b>Liabilities</b>		
Loans and borrowings	6,923	7,509
Hire Purchase and lease liabilities	20,012	19,225
Deferred tax liabilities	63,413	63,592
<b>Total non-current liabilities</b>	<b>90,348</b>	<b>90,326</b>
Provisions for warranties	33,840	34,583
Payables and accruals	240,671	298,388
Contract liabilities	208,808	162,596
Loans and borrowings	68,918	60,509
Hire Purchase and lease liabilities	7,939	9,286
Current tax liabilities	8,614	7,870
Derivative liabilities	792	-
<b>Total current liabilities</b>	<b>569,582</b>	<b>573,232</b>
<b>Total liabilities</b>	<b>659,930</b>	<b>663,558</b>
<b>Total equity and liabilities</b>	<b>1,461,241</b>	<b>1,451,207</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.32</b>	<b>3.27</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2024 (1ST QUARTER)****(The figures have not been audited)**

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
<b>Revenue</b>	A9	176,439	125,794	176,439	125,794
Cost of sales, other income and operating expenses		(157,339)	(110,854)	(157,339)	(110,854)
<b>Results from operating activities</b>		19,100	14,940	19,100	14,940
Finance income		709	545	709	545
Finance costs		(1,203)	(936)	(1,203)	(936)
<b>Operating profit</b>	B5	18,606	14,549	18,606	14,549
Share of profit/(loss) of associates, net of tax		371	6	371	6
<b>Profit before tax</b>		18,977	14,555	18,977	14,555
Tax expense	B6	(4,921)	(2,433)	(4,921)	(2,433)
<b>Profit for the period</b>		14,056	12,122	14,056	12,122
<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		(993)	748	(993)	748
<b>Other comprehensive income for the period, net of tax</b>		(993)	748	(993)	748
<b>Total comprehensive income for the period</b>		13,063	12,870	13,063	12,870
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		12,022	10,610	12,022	10,610
Non-controlling interests		2,034	1,512	2,034	1,512
<b>Profit for the period</b>		14,056	12,122	14,056	12,122
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		11,090	11,424	11,090	11,424
Non-controlling interests		1,973	1,446	1,973	1,446
<b>Total comprehensive income for the period</b>		13,063	12,870	13,063	12,870
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	5.15	4.54	5.15	4.54
Diluted (Sen)	B11	5.02	4.46	5.02	4.46

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024 (1ST QUARTER)**

(The figures have not been audited)

	← Attributable to owners of the Company →						Total attributable to owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →			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			
<b>3 months ended 31 March 2024</b>									
<b>As at 1 January 2024</b>	195,072	19,874	122,716	3,869	(3,006)	426,265	764,790	22,859	787,649
Profit/(loss) for the period	-	-	-	-	-	12,022	12,022	2,034	14,056
Foreign currency translation	-	(932)	-	-	-	-	(932)	(61)	(993)
Total comprehensive income for the period	-	(932)	-	-	-	12,022	11,090	1,973	13,063
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	56	-	-	(56)	-	-	-	-	-
- Share-based payments	-	-	-	454	-	-	454	-	454
- Issue of ordinary shares	145	-	-	-	-	-	145	-	145
<b>As at 31 March 2024</b>	<b>195,273</b>	<b>18,942</b>	<b>122,716</b>	<b>4,267</b>	<b>(3,006)</b>	<b>438,287</b>	<b>776,479</b>	<b>24,832</b>	<b>801,311</b>
<b>3 months ended 31 March 2023</b>									
<b>As at 1 January 2023</b>	194,988	8,923	122,716	850	(3,006)	385,054	709,525	23,342	732,867
Profit for the period	-	-	-	-	-	10,610	10,610	1,512	12,122
Foreign currency translation	-	814	-	-	-	-	814	(66)	748
Total comprehensive income for the period	-	814	-	-	-	10,610	11,424	1,446	12,870
Contribution by and distribution to owners of the Company									
- Share-based payments	-	-	-	760	-	-	760	-	760
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(3,365)	(3,365)
<b>As at 31 March 2023</b>	<b>194,988</b>	<b>9,737</b>	<b>122,716</b>	<b>1,610</b>	<b>(3,006)</b>	<b>395,664</b>	<b>721,709</b>	<b>21,423</b>	<b>743,132</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 2023 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 2024 (1ST QUARTER)  
(The figures have not been audited)**

	Unaudited Period ended 31.3.2024 RM'000	Unaudited Period ended 31.3.2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	18,977	14,555
Adjustments for:		
Allowance for impairment losses	5,908	1,488
Allowance for slow moving inventories	679	-
Amortisation of right-of-use assets	1,739	781
Capital (gain)/Loss on short-term funds	(197)	-
Depreciation of property, plant and equipment	7,926	4,018
Finance costs	1,203	936
Finance income	(709)	(545)
(Gain)/Loss on disposal of property, plant and equipment	(1,553)	(35)
(Gain)/loss on foreign exchange	(4,103)	(4,461)
(Gain)/loss on derivatives	1,291	795
Provision for warranties	341	1,022
Reversal of impairment losses	(2,914)	(1,342)
Reversal of provision for warranties	(338)	(157)
Share-based payments	398	760
Share of loss/(profit) of equity accounted associates	(371)	(6)
Write-back of Inventories	(161)	(576)
Writedown of inventories	-	-
Operating profit/(loss) before changes in working capital	28,116	17,233
Changes in working capital:		
Inventories	(22,015)	16,926
Payables and accruals	(11,503)	(8,479)
Receivables, deposits and prepayments	30,271	4,835
Cash generated from/(used in) operations	24,869	30,515
Interest received	679	525
Interest paid	(1,223)	(912)
Income tax paid	(3,740)	(2,698)
Warranties paid	(253)	(163)
<b>Net cash generated from/(used in) operating activities</b>	20,332	27,267
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,581)	(932)
Capital gain on short-term funds	197	-
Long-term funds	87	151
Proceeds from disposal of property, plant and equipment	4,396	35
<b>Net cash generated from/(used in) investing activities</b>	99	(746)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024 (1ST QUARTER)  
(cont'd)**

	Unaudited Period ended 31.3.2024 RM'000	Audited Period ended 31.3.2023 RM'000
<b>Cash flows from financing activities</b>		
Dividend paid to non-controlling interests	-	(3,365)
Net proceeds/(repayment) of loans and borrowings	7,245	(8,534)
Proceeds from issue of shares under SIS scheme	201	-
<b>Net cash generated from/(used in) financing activities</b>	7,446	(11,899)
<b>Exchange differences on translation of the financial statements of foreign operations</b>	(2,488)	(2,502)
<b>Net increase/(decrease) in cash and cash equivalents</b>	25,389	12,120
<b>Cash and cash equivalents at 1 January</b>	164,861	99,120
<b>Effect of exchange rate fluctuations on cash held</b>	220	117
<b>Cash and cash equivalents at 31 March</b>	190,470	111,357

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

	31.3.2024 RM'000	31.3.2023 RM'000
Cash and bank balances	90,094	62,280
Short Term Investment	41,571	34,596
Deposit placed with licensed banks	58,805	37,614
Cash and cash equivalents per balance sheet	190,470	134,490
Bank overdrafts	-	(23,133)
	190,470	111,357

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP  
FOR THE YEAR ENDED 31 MARCH (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") and 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 2023. 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 2023.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2024:

<u>MFRSs and/or IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective date</u>
• Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
• Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

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 121: Lack of Exchangeability	1 January 2025
• 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 2023 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, resale and repayments of debts and equity securities for the current quarter under review except for the followings:-

**Employees' Share Issuance Scheme ("SIS")**

During the current quarter ended 31 March 2024, a total of 100,000 new ordinary shares were issued at RM1.45 each, pursuant to the exercise of SIS granted in 2022.

**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	67,092	43,834	110,926
Outside Malaysia	65,513	-	65,513
	<u>132,605</u>	<u>43,834</u>	<u>176,439</u>
<b>Profit before tax</b>	10,788	8,189	<b>18,977</b>
Segment assets	1,282,322	174,691	1,457,013
Investments in associates	4,228	-	4,228
<b>Total assets</b>	<u>1,286,550</u>	<u>174,691</u>	<u>1,461,241</u>
<b>Segments liabilities</b>	<u>584,432</u>	<u>75,498</u>	<u>659,930</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 22 May 2024, 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 2023 and up to 22 May 2024.

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

**B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q1 2024 vs YTD Q1 2023)**

The Group reported consolidated revenue of RM176.4 million with profit before tax of RM19.0 million as compared to revenue of RM125.8 million with profit before tax of RM14.6 million in the previous financial year ended 31 March 2023.

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

**B2. COMPARISON WITH PRECEDING QUARTER RESULT (2024 Q1 vs 2023 Q4)**

The Group recorded a revenue of RM176.4 million with profit before tax of RM19.0 million for the current quarter as compared to the revenue of RM305.8 million with profit before tax of RM31.5 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 RM756 million (including order book of Intelligent Automation of RM141 million) as at 22 May 2024 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

Oil prices have recovered over the last few years and hence the investment is expected to increase. Furthermore, as trade continues to ramp up, shipyards are seeing increased order books and are therefore investing in their yard equipment. The Group is therefore hopeful of our orders increasing moving forward in line with this global recovery.

**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 31.3.2024 RM'000	Cumulative Qtr To-date 31.3.2024 RM'000
-------------------------------------------	--------------------------------------------------

**Operating profit is arrived at after (crediting)/charging the following:**

Depreciation and amortization	7,926	7,926
Allowance for impairment loss/(gain)	2,994	2,994
Foreign exchange (gain)/loss	(4,103)	(4,103)
(Gain)/loss on derivatives	1,291	1,291
(Gain)/loss on disposal of property, plant and equipment	(1,553)	(1,553)
Other Income	(2,920)	(2,920)
Finance costs	1,203	1,203
Interest income	(709)	(709)

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

**B6. TAXATION**

	Current Quarter 31.3.2024 RM'000	Cumulative Qtr To-date 31.3.2024 RM'000
<b>Current tax expense</b>		
Malaysian Tax	(5,347)	(5,347)
Overseas	(1,047)	(1,047)
	(6,394)	(6,394)
<b>Deferred taxation expense</b>		
Malaysian Tax	1,919	1,919
Overseas	(446)	(446)
	1,473	1,473
<b>Total tax expense</b>	<b>(4,921)</b>	<b>(4,921)</b>

The effective tax rate of the Group for the period ended 31 March 2024 is higher than the local statutory tax rate mainly due to certain expenses were not deductible for tax purpose.

**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	583	583
	DKK	2,840	1,941
	Sub-total		2,524
- Unsecured	RM	60,006	60,006
	AUD	2,078	6,388
<b>Total short term borrowings</b>			<b>68,918</b>
b) Long term borrowings			
- Secured	RM	6,434	6,434
	DKK	716	489
<b>Total long term borrowings</b>			<b>6,923</b>
<b>Total borrowings</b>			<b>75,841</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 SHARE ("EPS")**

**Basic/Diluted EPS**

	Basic EPS		Diluted EPS	
	Current 31.3.2024	Cumulative 31.3.2024	Current 31.3.2024	Cumulative 31.3.2024
Net profit attributable to the owners of the Company (RM'000)	12,022	12,022	12,022	12,022
Weighted average number of ordinary shares in issue ('000)	233,639	233,639	233,639	233,639
Effect of dilution: Share options ('000)	-	-	5,934	5,934
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	233,639	233,639	239,573	239,573
EPS (Sen)	5.15	5.15	5.02	5.02

**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: 28 May 2024**