

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

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

	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Assets		
Property, plant and equipment	515,207	543,719
Intangible assets	75,283	75,283
Investment in associates	5,846	3,857
Deferred tax assets	27,806	28,753
Long-term funds	2,952	8,153
Receivables	6,705	6,885
Total non-current assets	633,799	666,650
Receivables, deposits and prepayments	281,281	235,803
Contract assets	157,100	151,245
Inventories	211,625	229,836
Current tax assets	2,422	2,313
Derivative assets	-	499
Cash and cash equivalents	161,165	164,861
Total current assets	813,593	784,557
Total assets	1,447,392	1,451,207
Equity		
Share capital	198,323	195,072
Reserves	582,411	569,718
Total equity attributable to owners of the Company	780,734	764,790
Non-controlling interests	35,934	22,859
Total equity	816,668	787,649
Liabilities		
Loans and borrowings	6,100	7,509
Hire Purchase and lease liabilities	14,939	19,225
Deferred tax liabilities	62,241	63,592
Total non-current liabilities	83,280	90,326
Provisions for warranties	32,591	34,583
Payables and accruals	265,494	298,388
Contract liabilities	152,564	162,596
Loans and borrowings	83,101	60,509
Hire Purchase and lease liabilities	8,299	9,286
Current tax liabilities	4,252	7,870
Derivative liabilities	1,143	-
Total current liabilities	547,444	573,232
Total liabilities	630,724	663,558
Total equity and liabilities	1,447,392	1,451,207
Net assets per share attributable to owners of the Company (RM)	3.32	3.27

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 YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)****(The figures have not been audited)**

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.12.2024	31.12.2023	31.12.2024	31.12.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	331,929	305,809	901,310	765,161
Cost of sales, other income and operating expenses		(284,911)	(269,947)	(817,220)	(675,101)
Results from operating activities		47,018	35,862	84,090	90,060
Finance income		4,130	960	6,985	3,807
Finance costs		(2,144)	(5,399)	(5,216)	(9,335)
Operating profit	B5	49,004	31,423	85,859	84,532
Share of profit/(loss) of associates, net of tax		3,269	41	1,989	822
Profit before tax		52,273	31,464	87,848	85,354
Tax expense	B6	(5,287)	(9,913)	(22,945)	(23,898)
Profit for the period		46,986	21,551	64,903	61,456
Other comprehensive (expenses)/ income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(2,563)	4,019	(18,880)	10,866
Other comprehensive income for the period, net of tax		(2,563)	4,019	(18,880)	10,866
Total comprehensive income for the period		44,423	25,570	46,023	72,322
Profit/(loss) attributable to:					
Owners of the Company		41,098	16,159	52,078	50,554
Non-controlling interests		5,888	5,392	12,825	10,902
Profit for the period		46,986	21,551	64,903	61,456
Total comprehensive income attributable to:					
Owners of the Company		38,727	20,199	32,948	61,505
Non-controlling interests		5,696	5,371	13,075	10,817
Total comprehensive income for the period		44,423	25,570	46,023	72,322
Earnings per ordinary share					
Basic (Sen)	B11	17.47	6.92	22.21	21.64
Diluted (Sen)	B11	17.28	6.82	21.97	21.33

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 YEAR ENDED 31 DECEMBER 2024 (4TH 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			
12 months ended 31 December 2024									
As at 1 January 2024	195,072	19,874	122,716	3,869	(3,006)	426,265	764,790	22,859	787,649
Profit/(loss) for the period	-	-	-	-	-	52,078	52,078	12,825	64,903
Foreign currency translation	-	(19,130)	-	-	-	-	(19,130)	250	(18,880)
Total comprehensive income for the period	-	(19,130)	-	-	-	52,078	32,948	13,075	46,023
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	905	-	-	(905)	-	-	-	-	-
- Share-based payments	-	-	-	1,818	-	-	1,818	-	1,818
- Issue of ordinary shares	2,346	-	-	-	-	-	2,346	-	2,346
- Dividends to shareholders	-	-	-	-	-	(21,168)	(21,168)	-	(21,168)
As at 31 December 2024	198,323	744	122,716	4,782	(3,006)	457,175	780,734	35,934	816,668
12 months ended 31 December 2023									
As at 1 January 2023	194,988	8,923	122,716	850	(3,006)	385,054	709,525	23,342	732,867
Profit for the period	-	-	-	-	-	50,554	50,554	10,902	61,456
Foreign currency translation	-	10,951	-	-	-	-	10,951	(85)	10,866
Total comprehensive income for the period	-	10,951	-	-	-	50,554	61,505	10,817	72,322
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	24	-	-	(24)	-	-	-	-	-
- Share-based payments	-	-	-	3,043	-	-	3,043	-	3,043
- Issue of ordinary shares	60	-	-	-	-	-	60	-	60
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(11,300)	(11,300)
- Dividends to shareholders	-	-	-	-	-	(9,343)	(9,343)	-	(9,343)
As at 31 December 2023	195,072	19,874	122,716	3,869	(3,006)	426,265	764,790	22,859	787,649

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 YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)
(The figures have not been audited)**

	Unaudited Year ended 31.12.2024 RM'000	Audited Year ended 31.12.2023 RM'000
Cash flows from operating activities		
Profit before tax	87,848	85,354
Adjustments for:		
Amortisation of intangible assets	-	6
Allowance for impairment losses on trade receivables	5,141	18,346
Allowance for impairment losses on assets	3,000	-
Allowance for slow moving inventories	3	1,717
Amortisation of right-of-use assets	6,503	7,637
Bad debts written off	709	3,568
Capital (gain)/Loss on short-term funds	(406)	(709)
Depreciation of property, plant and equipment	32,608	33,547
Finance costs	5,216	9,335
Finance income	(6,985)	(3,807)
(Gain)/Loss on disposal of property, plant and equipment	(1,491)	(123)
(Gain)/loss on foreign exchange	8,938	(7,823)
(Gain)/loss on derivatives	1,642	(73)
Property, plant and equipment written off	8	-
Provision for warranties	6,900	5,618
Provision of foreseeable losses	-	1,232
Reversal of impairment losses	(3,249)	(2,446)
Reversal of provision of foreseeable losses	-	(3,200)
Reversal of provision for warranties	(5,386)	(5,249)
Share-based payments	913	3,043
Share of loss/(profit) of equity accounted associates	(1,989)	(822)
Write-back of Inventories	(1,813)	-
Writedown of inventories	2,346	496
Operating profit/(loss) before changes in working capital	140,456	145,647
Changes in working capital:		
Inventories	17,675	(25,960)
Payables and accruals	(42,928)	61,872
Receivables, deposits and prepayments	(58,833)	(30,451)
Cash generated from/(used in) operations	56,370	151,108
Interest received	3,871	3,549
Interest paid	(3,787)	(6,402)
Income tax paid	(26,294)	(17,776)
Warranties paid	(166)	(550)
Net cash generated from/(used in) operating activities	29,994	129,929
Cash flows from investing activities		
Acquisition of property, plant and equipment	(35,454)	(17,504)
Capital gain on short-term funds	406	709
Long-term funds	5,201	(528)
Proceeds from disposal of property, plant and equipment	10,054	629
Net cash generated from/(used in) investing activities	(19,793)	(16,694)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (4TH QUARTER)
(cont'd)**

	Unaudited Period ended 31.12.2024 RM'000	Unaudited Period ended 31.12.2023 RM'000
Cash flows from financing activities		
Dividend paid to shareholders of the Company	(21,168)	(9,343)
Dividend paid to non-controlling interests	-	(3,474)
Net proceeds/(repayment) of loans and borrowings	7,880	(36,389)
Proceeds from issue of shares under SIS scheme	3,251	60
Net cash generated from/(used in) financing activities	(10,037)	(49,146)
Exchange differences on translation of the financial statements of foreign operations	(8,135)	1,475
Net increase/(decrease) in cash and cash equivalents	(7,971)	65,564
Cash and cash equivalents at 1 January	164,861	99,120
Effect of exchange rate fluctuations on cash held	(733)	177
Cash and cash equivalents at 31 December	156,157	164,861

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

	31.12.2024 RM'000	31.12.2023 RM'000
Cash and bank balances	63,074	101,046
Short Term Investment	27,976	21,973
Deposit placed with licensed banks	70,115	41,842
Cash and cash equivalents per balance sheet	161,165	164,861
Bank overdrafts	(5,008)	-
	156,157	164,861

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 DECEMBER 2024 (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") 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 December 2024, a total of 24,000 new ordinary shares were issued at RM1.45 each, pursuant to the exercise of SIS granted in 2022.

A8. DIVIDENDS PAID

A first & final tax-exempt dividend of 9 sen per ordinary share totalling RM21.2 million in respect of the year ended 31 December 2023 was paid on 22 August 2024.

A9. SEGMENT REVENUE AND RESULTS

Financial data by business segment for the Group:

	Cranes RM'000	Intelligent Automation RM'000	Consolidated RM'000
Revenue			
Inside Malaysia	282,164	258,387	540,551
Outside Malaysia	360,759	-	360,759
	<u>642,923</u>	<u>258,387</u>	<u>901,310</u>
Profit before tax	32,900	54,948	87,848
Segment assets	1,211,224	230,322	1,441,546
Investments in associates	5,846	-	5,846
Total assets	<u>1,217,070</u>	<u>230,322</u>	<u>1,447,392</u>
Segments liabilities	<u>536,384</u>	<u>94,340</u>	<u>630,724</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 February 2025, 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

Capital commitments approved and contracted unconditionally as at 19 February 2025 is approximately RM11.94 million.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q4 2024 vs YTD Q4 2023)

The Group reported consolidated revenue of RM901.3 million with profit before tax of RM87.8 million as compared to revenue of RM765.2 million with profit before tax of RM85.4 million in the previous financial period ended 31 December 2023.

The increase in the group profit before tax was primarily driven by higher sales; however, it was partially offset by the impact of foreign exchange differences.

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2024 Q4 vs 2024 Q3)

The Group recorded a revenue of RM331.9 million with profit before tax of RM52.3 million for the current quarter as compared to the revenue of RM189.9 million with profit before tax of RM2.7 million in the preceding quarter, the increase in group profit before tax was mainly due to higher sales and the recovery of foreign exchange difference.

B3. GROUP'S CURRENT YEAR PROSPECT

Despite the challenging outlook in the current market, the Group has outstanding order book of approximately RM528 million (including order book of Intelligent Automation of RM119 million) as at 19 February 2025 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

Oil prices are expected to remain within the stable range, supporting stable investment levels. With rising construction activity in the Middle Eastern countries, shipyards modernization and expansion including replacing aging equipment. The group is hopeful for an increase in orders 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 31.12.2024 RM'000	Cumulative Qtr To-date 31.12.2024 RM'000
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Operating profit is arrived at after (crediting)/charging the following:

Depreciation and amortization	8,821	32,608
Allowance for impairment loss/(gain)	87	1,892
Allowance for slow moving inventories	2,304	2,349
Foreign exchange (gain)/loss	(15,838)	8,938
(Gain)/loss on derivatives	2,693	1,642
(Gain)/loss on disposal of property, plant and equipment	(14)	(1,491)
Other Income	(1,119)	(4,012)
Finance costs	2,144	5,216
Interest income	(4,130)	(6,985)

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

B6. TAXATION

	Current Quarter 31.12.2024 RM'000	Cumulative Qtr To-date 31.12.2024 RM'000
Current tax expense		
Malaysian Tax	(3,313)	(16,437)
Overseas	(957)	(6,131)
	(4,270)	(22,568)
Deferred taxation expense		
Malaysian Tax	(850)	117
Overseas	(167)	(494)
	(1,017)	(377)
Total tax expense	(5,287)	(22,945)

The effective tax rate of the Group for the period ended 31 December 2024 is higher than the local statutory tax rate mainly due to certain expenses were not deductible for tax purpose and additional balancing charge due to disposal of fixed assets.

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	598	598
	DKK	9,479	5,915
	Sub-total		6,513
- Unsecured	RM	76,588	76,588
	AUD	-	-
Total short term borrowings			83,101
b) Long term borrowings			
- Secured	RM	6,100	6,100
Total long term borrowings			6,100
Total borrowings			89,201

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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 recommend a first and final tax exempt dividend of 9 sen per ordinary share (2023: 9 sen) in respect of the financial year ended 31 December 2024 subject to approval of the shareholders at the forthcoming Annual General Meeting. The proposed final dividend payable approximately RM21.2 million is based on the number of shares as at 31 December 2024.

B11. EARNINGS PER SHARE ("EPS")

Basic/Diluted EPS

	Basic EPS		Diluted EPS	
	Current 31.12.2024	Cumulative 31.12.2024	Current 31.12.2024	Cumulative 31.12.2024
Net profit attributable to the owners of the Company (RM'000)	41,098	52,078	41,098	52,078
Weighted average number of ordinary shares in issue ('000)	235,221	234,479	235,221	234,479
Effect of dilution: Share options ('000)	-	-	2,594	2,594
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	235,221	234,479	237,815	237,073
EPS (Sen)	17.47	22.21	17.28	21.97

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 February 2025