

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Unaudited As at 31.3.2025 RM'000	Audited As at 31.12.2024 RM'000
Assets		
Property, plant and equipment	514,335	518,207
Intangible assets	75,283	75,283
Investment in associates	6,938	5,846
Deferred tax assets	30,113	30,132
Long-term funds	2,964	2,952
Receivables	1,384	1,440
Total non-current assets	631,017	633,860
Receivables, deposits and prepayments	236,659	278,457
Contract assets	188,644	157,100
Inventories	208,985	208,734
Current tax assets	2,969	2,447
Cash and cash equivalents	183,254	161,173
Total current assets	820,511	807,911
Total assets	1,451,528	1,441,771
Equity		
Share capital	198,336	198,323
Reserves	600,030	584,203
Total equity attributable to owners of the Company	798,366	782,526
Non-controlling interests	30,121	28,166
Total equity	828,487	810,692
Liabilities		
Loans and borrowings	5,748	5,861
Hire Purchase and lease liabilities	13,965	15,422
Deferred tax liabilities	64,652	64,589
Total non-current liabilities	84,365	85,872
Provisions for warranties	32,955	32,493
Payables and accruals	258,406	265,374
Contract liabilities	150,269	150,015
Loans and borrowings	84,479	83,101
Hire Purchase and lease liabilities	7,075	7,816
Current tax liabilities	5,394	5,265
Derivative liabilities	98	1,143
Total current liabilities	538,676	545,207
Total liabilities	623,041	631,079
Total equity and liabilities	1,451,528	1,441,771
Net assets per share attributable to owners of the Company (RM)	3.39	3.33

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2024 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 2025 (1ST QUARTER)****(The figures have not been audited)**

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.3.2025	31.3.2024	31.3.2025	31.3.2024
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	175,328	176,439	175,328	176,439
Cost of sales, other income and operating expenses		(158,417)	(157,339)	(158,417)	(157,339)
Results from operating activities		16,911	19,100	16,911	19,100
Finance income		1,270	709	1,270	709
Finance costs		(657)	(1,203)	(657)	(1,203)
Operating profit	B5	17,524	18,606	17,524	18,606
Share of profit/(loss) of associates, net of tax		1,092	371	1,092	371
Profit before tax		18,616	18,977	18,616	18,977
Tax expense	B6	(4,053)	(4,921)	(4,053)	(4,921)
Profit for the period		14,563	14,056	14,563	14,056
Other comprehensive (expenses)/ income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2,919	(993)	2,919	(993)
Other comprehensive income for the period, net of tax		2,919	(993)	2,919	(993)
Total comprehensive income for the period		17,482	13,063	17,482	13,063
Profit/(loss) attributable to:					
Owners of the Company		12,627	12,022	12,627	12,022
Non-controlling interests		1,936	2,034	1,936	2,034
Profit for the period		14,563	14,056	14,563	14,056
Total comprehensive income attributable to:					
Owners of the Company		15,527	11,090	15,527	11,090
Non-controlling interests		1,955	1,973	1,955	1,973
Total comprehensive income for the period		17,482	13,063	17,482	13,063
Earnings per ordinary share					
Basic (Sen)	B11	5.37	5.15	5.37	5.15
Diluted (Sen)	B11	5.31	5.02	5.31	5.02

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2024 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 2025 (1ST QUARTER)****(The figures have not been audited)**

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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 2024 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 2025 (1ST QUARTER)
(The figures have not been audited)**

	Unaudited Year ended 31.3.2025 RM'000	Unaudited Year ended 31.3.2024 RM'000
Cash flows from operating activities		
Profit before tax	18,616	18,977
Adjustments for:		
Allowance for impairment losses on trade receivables	2,424	5,908
Allowance for slow moving inventories	-	679
Amortisation of right-of-use assets	1,459	1,739
Capital (gain)/Loss on short-term funds	(20)	(197)
Depreciation of property, plant and equipment	7,850	7,926
Finance costs	657	1,203
Finance income	(1,270)	(709)
(Gain)/Loss on disposal of property, plant and equipment	(1)	(1,553)
(Gain)/loss on foreign exchange	(343)	(4,103)
(Gain)/loss on derivatives	(1,045)	1,291
Provision for warranties	564	341
Reversal of impairment losses	(1,295)	(2,914)
Reversal of provision for warranties	(13)	(338)
Share-based payments	303	398
Share of loss/(profit) of equity accounted associates	(1,092)	(371)
Write-back of Inventories	(518)	(161)
Operating profit/(loss) before changes in working capital	26,276	28,116
Changes in working capital:		
Inventories	267	(22,015)
Payables and accruals	(6,716)	(11,503)
Receivables, deposits and prepayments	9,790	30,271
Cash generated from/(used in) operations	29,617	24,869
Interest received	1,267	679
Interest paid	(685)	(1,223)
Income tax paid	(4,716)	(3,740)
Warranties paid	(245)	(253)
Net cash generated from/(used in) operating activities	25,238	20,332
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,863)	(4,581)
Capital gain on short-term funds	20	197
Long-term funds	(12)	87
Proceeds from disposal of property, plant and equipment	37	4,396
Net cash generated from/(used in) investing activities	(1,818)	99

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025 (1ST QUARTER)
(cont'd)**

	Unaudited Period ended 31.3.2025 RM'000	Unaudited Period ended 31.3.2024 RM'000
Cash flows from financing activities		
Net proceeds/(repayment) of loans and borrowings	4,845	7,245
Proceeds from issue of shares under SIS scheme	10	201
Net cash generated from/(used in) financing activities	4,855	7,446
Exchange differences on translation of the financial statements of foreign operations	(895)	(2,488)
Net increase/(decrease) in cash and cash equivalents	27,380	25,389
Cash and cash equivalents at 1 January	156,165	164,861
Effect of exchange rate fluctuations on cash held	(291)	220
Cash and cash equivalents at 31 March	183,254	190,470

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

	31.3.2025 RM'000	31.3.2024 RM'000
Cash and bank balances	94,269	90,094
Short Term Investment	29,765	41,571
Deposit placed with licensed banks	59,220	58,805
Cash and cash equivalents per balance sheet	183,254	190,470
Bank overdrafts	-	-
	183,254	190,470

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 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 PERIOD ENDED 31 MARCH 2025 (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 2024. 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 2024.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2024 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2025:

MFRSs and/or IC Interpretations(Including the Consequential Amendments)

- Amendments to MFRS 121: Lack of Exchangeability 1 January 2025

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:

MFRSs and IC Interpretations(Including the Consequential Amendments, if any)

- | | <u>Effective Date</u> |
|---|-----------------------|
| • Annual Improvements to MFRS Accounting Standards - Volume 11 | 1 January 2026 |
| • Amendments to MFRS 9 and MFRS7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| • MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| • MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| • 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 2024 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 2025, a total of 7,000 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
Revenue			
Inside Malaysia	65,223	39,944	105,167
Outside Malaysia	70,161	-	70,161
	<u>135,384</u>	<u>39,944</u>	<u>175,328</u>
Profit before tax	10,220	8,396	18,616
Segment assets	1,234,417	210,173	1,444,590
Investments in associates	6,938	-	6,938
Total assets	<u>1,241,355</u>	<u>210,173</u>	<u>1,451,528</u>
Segments liabilities	<u>529,246</u>	<u>93,795</u>	<u>623,041</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 21 May 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 21 May 2025 is approximately RM11.98 million.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q1 2025 vs YTD Q1 2024)

The Group reported consolidated revenue of RM175.3 million with profit before tax of RM18.6 million as compared to revenue of RM176.4 million with profit before tax of RM19.0 million in the previous financial period ended 31 March 2024.

The slight decline in the group profit before tax was mainly as a result of decreased in sales.

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2025 Q1 vs 2024 Q4)

The Group recorded a revenue of RM175.3 million with profit before tax of RM18.6 million for the current quarter as compared to the revenue of RM331.7 million with profit before tax of RM55.2 million in the preceding quarter, the decrease in group profit before tax 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 RM650 million (including order book of Intelligent Automation of RM136 million) as at 21 May 2025 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

Oil & Gas industry still 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 31.3.2025 RM'000	Cumulative Qtr To-date 31.3.2025 RM'000
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Operating profit is arrived at after (crediting)/charging the following:

Depreciation and amortization	7,850	7,850
Allowance for impairment loss/(gain)	1,129	1,129
Foreign exchange (gain)/loss	(343)	(343)
(Gain)/loss on derivatives	(1,045)	(1,045)
(Gain)/loss on disposal of property, plant and equipment	(1)	(1)
Other Income	(280)	(280)
Finance costs	657	657
Interest income	(1,270)	(1,270)

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

B6. TAXATION

	Current Quarter 31.3.2025 RM'000	Cumulative Qtr To-date 31.3.2025 RM'000
Current tax expense		
Malaysian Tax	(3,511)	(3,511)
Overseas	(811)	(811)
	(4,322)	(4,322)
Deferred taxation expense		
Malaysian Tax	279	279
Overseas	(10)	(10)
	269	269
Total tax expense	(4,053)	(4,053)

The effective tax rate of the Group for the period ended 31 March 2025 is lower than the local statutory tax rate mainly due to utilisation of tax losses from a foreign subsidiary carries forward from previous year.

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	604	604
	DKK	731	468
	Sub-total		1,072
- Unsecured	RM	80,446	80,446
	AUD	1,063	2,961
Total short term borrowings			84,479
b) Long term borrowings			
- Secured	RM	5,748	5,748
Total long term borrowings			5,748
Total borrowings			90,227

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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 31.3.2025	Cumulative 31.3.2025	Current 31.3.2025	Cumulative 31.3.2025
Net profit attributable to the owners of the Company (RM'000)	12,627	12,627	12,627	12,627
Weighted average number of ordinary shares in issue ('000)	235,231	235,231	235,231	235,231
Effect of dilution: Share options ('000)	-	-	2,593	2,593
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	235,231	235,231	237,824	237,824
EPS (Sen)	5.37	5.37	5.31	5.31

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: 27 May 2025