

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2025**

	Unaudited As at 30.6.2025 RM'000	Audited As at 31.12.2024 RM'000
Assets		
Property, plant and equipment	513,144	518,207
Intangible assets	75,283	75,283
Investment in associates	6,472	5,846
Deferred tax assets	26,675	30,132
Long-term funds	2,895	2,952
Receivables	1,054	1,440
Total non-current assets	625,523	633,860
Receivables, deposits and prepayments	228,775	278,457
Contract assets	170,517	157,100
Inventories	213,947	208,734
Current tax assets	3,057	2,447
Derivative assets	1,471	-
Cash and cash equivalents	200,480	161,173
Total current assets	818,247	807,911
Total assets	1,443,770	1,441,771
Equity		
Share capital	198,366	198,323
Reserves	589,978	584,203
Total equity attributable to owners of the Company	788,344	782,526
Non-controlling interests	33,722	28,166
Total equity	822,066	810,692
Liabilities		
Loans and borrowings	5,634	5,861
Hire Purchase and lease liabilities	12,249	15,422
Deferred tax liabilities	64,959	64,589
Total non-current liabilities	82,842	85,872
Provisions for warranties	29,908	32,493
Payables and accruals	273,341	265,374
Contract liabilities	135,272	150,015
Loans and borrowings	87,916	83,101
Hire Purchase and lease liabilities	7,299	7,816
Current tax liabilities	5,126	5,265
Derivative liabilities	-	1,143
Total current liabilities	538,862	545,207
Total liabilities	621,704	631,079
Total equity and liabilities	1,443,770	1,441,771
Net assets per share attributable to owners of the Company (RM)	3.35	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 30 JUNE 2025 (2ND QUARTER)****(The figures have not been audited)**

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	30.6.2025	30.6.2024	30.6.2025	30.6.2024
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	230,162	203,062	405,490	379,501
Cost of sales, other income and operating expenses		(209,797)	(187,682)	(368,214)	(345,021)
Results from operating activities		20,365	15,380	37,276	34,480
Finance income		1,643	1,071	2,913	1,780
Finance costs		(1,124)	(1,192)	(1,781)	(2,395)
Operating profit	B5	20,884	15,259	38,408	33,865
Share of profit/(loss) of associates, net of tax		(466)	(1,336)	626	(965)
Profit before tax		20,418	13,923	39,034	32,900
Tax expense	B6	(8,736)	(5,325)	(12,789)	(10,246)
Profit for the period		11,682	8,598	26,245	22,654
Other comprehensive (expenses)/ income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2,744	1,110	5,663	117
Other comprehensive income for the period, net of tax		2,744	1,110	5,663	117
Total comprehensive income for the period		14,426	9,708	31,908	22,771
Profit/(loss) attributable to:					
Owners of the Company		8,237	6,535	20,864	18,557
Non-controlling interests		3,445	2,063	5,381	4,097
Profit for the period		11,682	8,598	26,245	22,654
Total comprehensive income attributable to:					
Owners of the Company		10,825	7,612	26,352	18,702
Non-controlling interests		3,601	2,096	5,556	4,069
Total comprehensive income for the period		14,426	9,708	31,908	22,771
Earnings per ordinary share					
Basic (Sen)	B11	3.50	2.79	8.87	7.94
Diluted (Sen)	B11	3.47	2.73	8.78	7.75

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 30 JUNE 2025 (2ND QUARTER)****(The figures have not been audited)**

	Attributable to owners of the Company								
	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	Total attributable to owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
6 months ended 30 June 2025									
As at 1 January 2025	198,323	745	122,671	4,782	(3,006)	459,011	782,526	28,166	810,692
Profit/(loss) for the period	-	-	-	-	-	20,864	20,864	5,381	26,245
Foreign currency translation	-	5,488	-	-	-	-	5,488	175	5,663
Total comprehensive income for the period	-	5,488	-	-	-	20,864	26,352	5,556	31,908
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	11	-	-	(11)	-	-	-	-	-
- Share-based payments	-	-	-	606	-	-	606	-	606
- Issue of ordinary shares	32	-	-	-	-	-	32	-	32
- Dividends to shareholders	-	-	-	-	-	(21,172)	(21,172)	-	(21,172)
As at 30 June 2025	198,366	6,233	122,671	5,377	(3,006)	458,703	788,344	33,722	822,066
6 months ended 30 June 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 for the period	-	-	-	-	-	18,557	18,557	4,097	22,654
Foreign currency translation	-	145	-	-	-	-	145	(28)	117
Total comprehensive income for the period	-	145	-	-	-	18,557	18,702	4,069	22,771
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	354	-	-	(354)	-	-	-	-	-
- Share-based payments	-	-	-	909	-	-	909	-	909
- Issue of ordinary shares	916	-	-	-	-	-	916	-	916
- Dividends to shareholders	-	-	-	-	-	(21,082)	(21,082)	-	(21,082)
As at 30 June 2024	196,342	20,019	122,716	4,424	(3,006)	423,740	764,235	26,928	791,163

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 30 JUNE 2025 (2ND QUARTER)****(The figures have not been audited)**

	Unaudited Year ended 30.6.2025 RM'000	Unaudited Year ended 30.6.2024 RM'000
Cash flows from operating activities		
Profit before tax	39,034	32,900
Adjustments for:		
Allowance for impairment losses on trade receivables	3,419	5,906
Allowance for slow moving inventories	-	646
Amortisation of right-of-use assets	2,686	3,520
Capital (gain)/Loss on short-term funds	(38)	(344)
Depreciation of property, plant and equipment	15,551	16,006
Finance costs	1,781	2,395
Finance income	(2,913)	(1,780)
(Gain)/Loss on disposal of property, plant and equipment	(20)	(1,585)
(Gain)/loss on foreign exchange	(1,981)	(2,620)
(Gain)/loss on derivatives	(2,615)	715
Property, plant and equipment written off	1,285	2
Provision for warranties	2,598	576
Reversal of impairment losses	(6,152)	(2,923)
Reversal of provision for warranties	(4,852)	(573)
Share-based payments	606	555
Share of loss/(profit) of equity accounted associates	(626)	965
Write-back of Inventories	(1,110)	(289)
Writedown of inventories	37	-
Operating profit/(loss) before changes in working capital	46,690	54,072
Changes in working capital:		
Inventories	(4,140)	(30,114)
Payables and accruals	(26,716)	(46,278)
Receivables, deposits and prepayments	41,988	7,451
Cash generated from/(used in) operations	57,822	(14,869)
Interest received	2,829	1,721
Interest paid	(1,757)	(2,433)
Income tax paid	(10,629)	(7,242)
Warranties paid	(339)	(1,519)
Net cash generated from/(used in) operating activities	47,926	(24,342)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,236)	(7,698)
Capital gain on short-term funds	38	344
Long-term funds	57	4,646
Proceeds from disposal of property, plant and equipment	56	5,170
Net cash generated from/(used in) investing activities	(5,085)	2,462

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025 (2ND QUARTER)
(cont'd)**

	Unaudited Period ended 30.6.2025 RM'000	Unaudited Period ended 30.6.2024 RM'000
Cash flows from financing activities		
Net proceeds/(repayment) of loans and borrowings	5,607	8,443
Proceeds from issue of shares under SIS scheme	32	1,270
Net cash generated from/(used in) financing activities	5,639	9,713
Exchange differences on translation of the financial statements of foreign operations	(3,525)	649
Net increase/(decrease) in cash and cash equivalents	44,955	(11,518)
Cash and cash equivalents at 1 January	156,165	164,861
Effect of exchange rate fluctuations on cash held	(640)	135
Cash and cash equivalents at 30 June	200,480	153,478

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

	30.6.2025 RM'000	30.6.2024 RM'000
Cash and bank balances	79,884	66,700
Short Term Investment	53,359	48,046
Deposit placed with licensed banks	67,237	38,732
Cash and cash equivalents per balance sheet	200,480	153,478
Bank overdrafts	-	-
	200,480	153,478

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 30 JUNE 2025 (2ND 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 30 June 2025, a total of 15,000 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	141,256	98,059	239,315
Outside Malaysia	166,175	-	166,175
	<u>307,431</u>	<u>98,059</u>	<u>405,490</u>
Profit before tax	36,665	2,369	39,034
Segment assets	1,221,452	215,846	1,437,298
Investments in associates	6,472	-	6,472
Total assets	<u>1,227,924</u>	<u>215,846</u>	<u>1,443,770</u>
Segments liabilities	<u>531,437</u>	<u>90,267</u>	<u>621,704</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 20 August 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 20 August 2025 is approximately RM11.84 million.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q2 2025 vs YTD Q2 2024)

The Group reported consolidated revenue of RM405.5 million with profit before tax of RM39.0 million as compared to revenue of RM379.5 million with profit before tax of RM32.9 million in the previous financial period ended 30 June 2024.

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

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2025 Q2 vs 2025 Q1)

The Group recorded a revenue of RM230.1 million with profit before tax of RM20.4 million for the current quarter as compared to the revenue of RM175.3 million with profit before tax of RM18.6 million in the preceding quarter, the increase in group profit before tax 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 RM604 million (including order book of Intelligent Automation of RM126 million) as at 20 August 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 30.6.2025 RM'000	Cumulative Qtr To-date 30.6.2025 RM'000
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Operating profit is arrived at after (crediting)/charging the following:

Depreciation and amortization	7,701	15,551
Allowance for impairment loss/(gain)	(3,862)	(2,733)
Allowance for slow moving inventories	37	37
Foreign exchange (gain)/loss	(1,638)	(1,981)
(Gain)/loss on derivatives	(1,570)	(2,615)
(Gain)/loss on disposal of property, plant and equipment	(19)	(20)
Other Income	(185)	(465)
Finance costs	1,124	1,781
Interest income	(1,643)	(2,913)

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

B6. TAXATION

	Current Quarter 30.6.2025 RM'000	Cumulative Qtr To-date 30.6.2025 RM'000
Current tax expense		
Malaysian Tax	(3,441)	(6,952)
Overseas	(2,117)	(2,928)
	(5,558)	(9,880)
Deferred taxation expense		
Malaysian Tax	(3,091)	(2,812)
Overseas	(87)	(97)
	(3,178)	(2,909)
Total tax expense	(8,736)	(12,789)

The effective tax rate of the Group for the period ended 30 June 2025 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	611	611
	DKK	520	345
	Sub-total		956
- Unsecured	RM	74,113	74,113
	AUD	4,665	12,847
	Sub-total		86,960
Total short term borrowings			87,916
b) Long term borrowings			
- Secured	RM	5,634	5,634
Total long term borrowings			5,634
Total borrowings			93,550

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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 30.6.2025	Cumulative 30.6.2025	Current 30.6.2025	Cumulative 30.6.2025
Net profit attributable to the owners of the Company (RM'000)	8,237	20,864	8,237	20,864
Weighted average number of ordinary shares in issue ('000)	235,250	235,236	235,250	235,236
Effect of dilution: Share options ('000)	-	-	2,383	2,383
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	235,250	235,236	237,633	237,619
EPS (Sen)	3.50	8.87	3.47	8.78

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: 26 August 2025