

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

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

	Unaudited As at 31.12.2025 RM'000	Audited As at 31.12.2024 RM'000
Assets		
Property, plant and equipment	505,637	518,207
Intangible assets	75,283	75,283
Investment in associates	8,519	5,846
Deferred tax assets	24,969	30,132
Long-term funds	2,898	2,952
Receivables	826	1,440
Total non-current assets	618,132	633,860
Receivables, deposits and prepayments	272,724	278,457
Contract assets	144,599	157,100
Inventories	207,133	208,734
Current tax assets	2,693	2,447
Derivative assets	3,800	-
Cash and cash equivalents	218,274	161,173
Total current assets	849,223	807,911
Total assets	1,467,355	1,441,771
Equity		
Share capital	199,508	198,323
Reserves	613,464	584,203
Total equity attributable to owners of the Company	812,972	782,526
Non-controlling interests	30,298	28,166
Total equity	843,270	810,692
Liabilities		
Loans and borrowings	5,406	5,861
Hire Purchase and lease liabilities	6,180	15,422
Deferred tax liabilities	65,236	64,589
Total non-current liabilities	76,822	85,872
Provisions for warranties	28,060	32,493
Payables and accruals	253,664	265,374
Contract liabilities	136,221	150,015
Loans and borrowings	117,051	83,101
Hire Purchase and lease liabilities	8,422	7,816
Current tax liabilities	3,845	5,265
Derivative liabilities	-	1,143
Total current liabilities	547,263	545,207
Total liabilities	624,085	631,079
Total equity and liabilities	1,467,355	1,441,771
Net assets per share attributable to owners of the Company (RM)	3.45	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 YEAR ENDED 31 DECEMBER 2025 (4TH QUARTER)**

(The figures have not been audited)

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Revenue	A9	226,820	331,743	786,408	901,124
Cost of sales, other income and operating expenses		(196,459)	(281,572)	(707,896)	(813,881)
Results from operating activities		30,361	50,171	78,512	87,243
Finance income		5,221	4,140	9,924	6,995
Finance costs		(1,937)	(2,333)	(5,047)	(5,405)
Operating profit	B5	33,645	51,978	83,389	88,833
Share of profit/(loss) of associates, net of tax		2,213	3,269	2,673	1,989
Profit before tax		35,858	55,247	86,062	90,822
Tax expense	B6	(6,809)	(6,434)	(23,942)	(24,092)
Profit for the period		29,049	48,813	62,120	66,730
Other comprehensive (expenses)/ income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(6,367)	(2,563)	(118)	(18,880)
Other comprehensive income for the period, net of tax		(6,367)	(2,563)	(118)	(18,880)
Total comprehensive income for the period		22,682	46,250	62,002	47,850
Profit/(loss) attributable to:					
Owners of the Company		23,766	42,889	49,891	53,869
Non-controlling interests		5,283	5,924	12,229	12,861
Profit for the period		29,049	48,813	62,120	66,730
Total comprehensive income attributable to:					
Owners of the Company		17,354	40,519	49,577	34,740
Non-controlling interests		5,328	5,731	12,425	13,110
Total comprehensive income for the period		22,682	46,250	62,002	47,850
Earnings per ordinary share					
Basic (Sen)	B11	10.08	18.23	21.18	22.97
Diluted (Sen)	B11	10.03	18.03	21.08	22.72

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 YEAR ENDED 31 DECEMBER 2025 (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 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	-	-	-	-	-	49,891	49,891	12,229	62,120
Foreign currency translation	-	(314)	-	-	-	-	(314)	196	(118)
Total comprehensive income for the period	-	(314)	-	-	-	49,891	49,577	12,425	62,002
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	304	-	-	(304)	-	-	-	-	-
- Share-based payments	-	-	-	1,212	-	-	1,212	-	1,212
- Issue of ordinary shares	881	-	-	-	-	-	881	-	881
- Dividends to shareholders	-	-	-	-	-	(21,224)	(21,224)	-	(21,224)
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(10,293)	(10,293)
As at 31 December 2025	199,508	431	122,671	5,690	(3,006)	487,678	812,972	30,298	843,270
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 for the period	-	-	-	-	-	53,869	53,869	12,861	66,730
Foreign currency translation	-	(19,129)	-	-	-	-	(19,129)	249	(18,880)
Total comprehensive income for the period	-	(19,129)	(45)	-	-	53,914	34,740	13,110	47,850
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)
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(7,803)	(7,803)
As at 31 December 2024	198,323	745	122,671	4,782	(3,006)	459,011	782,526	28,166	810,692

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 YEAR ENDED 31 DECEMBER 2025 (4TH QUARTER)
(The figures have not been audited)**

	Unaudited Year ended 31.12.2025 RM'000	Audited Year ended 31.12.2024 RM'000
Cash flows from operating activities		
Profit before tax	86,062	90,822
Adjustments for:		
Allowance for impairment losses on trade receivables	775	15,581
Allowance for slow moving inventories	340	2,344
Amortisation of right-of-use assets	6,094	6,502
Bad debts written off	-	9
Capital (gain)/Loss on short-term funds	(75)	(406)
Depreciation of property, plant and equipment	30,498	32,608
Finance costs	5,047	5,405
Finance income	(9,924)	(6,995)
(Gain)/Loss on disposal of property, plant and equipment	(73)	(1,488)
(Gain)/loss on foreign exchange	(513)	9,269
(Gain)/loss on derivatives	(4,943)	1,642
Property, plant and equipment written off	1,492	5
Provision for warranties	4,913	6,871
Provision of foreseeable losses	-	1,796
Reversal of impairment losses	(8,204)	(12,781)
Reversal of provision of foreseeable losses	-	(2,900)
Reversal of provision for warranties	(8,566)	(5,387)
Share-based payments	1,212	1,818
Share of loss/(profit) of equity accounted associates	(2,673)	(1,989)
Write-back of Inventories	(1,047)	-
Writedown of inventories	187	340
Operating profit/(loss) before changes in working capital	100,602	143,066
Changes in working capital:		
Inventories	2,121	18,418
Payables and accruals	(34,413)	(53,399)
Receivables, deposits and prepayments	30,625	(50,187)
Cash generated from/(used in) operations	98,935	57,898
Interest received	6,414	3,881
Interest paid	(4,440)	(3,976)
Income tax paid	(20,214)	(26,294)
Warranties paid	(345)	(240)
Net cash generated from/(used in) operating activities	80,350	31,269
Cash flows from investing activities		
Acquisition of property, plant and equipment	(22,095)	(32,293)
Capital gain on short-term funds	75	406
Decrease/(Increase) in long-term funds	54	5,201
Proceeds from disposal of property, plant and equipment	109	10,053
Net cash generated from/(used in) investing activities	(21,857)	(16,633)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (4TH QUARTER)
(cont'd)**

	Unaudited Year ended 31.12.2025 RM'000	Audited Year ended 31.12.2024 RM'000
Cash flows from financing activities		
Dividend paid to shareholders of the Company	(21,224)	(21,168)
Net proceeds/(repayment) of loans and borrowings	26,209	7,759
Proceeds from issuance of new shares	882	2,346
Net cash generated from/(used in) financing activities	5,867	(11,063)
Exchange differences on translation of the financial statements of foreign operations	(3,933)	(11,534)
Net increase/(decrease) in cash and cash equivalents	60,427	(7,961)
Cash and cash equivalents at 1 January	156,165	164,861
Effect of exchange rate fluctuations on cash held	(827)	(735)
Cash and cash equivalents at 31 December	215,765	156,165

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

	31.12.2025 RM'000	31.12.2024 RM'000
Cash and bank balances	99,643	63,074
Short Term Investment	48,772	27,976
Deposit placed with licensed banks	69,859	70,123
Cash and cash equivalents per balance sheet	218,274	161,173
Bank overdrafts	(2,509)	(5,008)
	215,765	156,165

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 YEAR ENDED 31 DECEMBER 2025 (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 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 December 2025, a total of 12,000 new ordinary shares were issued at RM1.45 each, pursuant to the exercise of SIS granted in 2022.

A8. DIVIDEND PAID

A first & final tax-exempt dividend of 9 sen per ordinary shares totalling RM21.2 million in respect of the year ended 31 December 2024 was paid on 15 August 2025.

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	249,817	243,254	493,071
Outside Malaysia	293,337	-	293,337
	<u>543,154</u>	<u>243,254</u>	<u>786,408</u>
Profit before tax	37,940	48,122	86,062
Segment assets	1,227,346	231,490	1,458,836
Investments in associates	8,519	-	8,519
Total assets	<u>1,235,865</u>	<u>231,490</u>	<u>1,467,355</u>
Segments liabilities	<u>503,611</u>	<u>120,474</u>	<u>624,085</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 17 February 2026, 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 17 February 2026 is approximately RM111.71 million.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q4 2025 vs YTD Q4 2024)

The Group reported consolidated revenue of RM786.4 million with profit before tax of RM86.1 million as compared to revenue of RM901.1 million with profit before tax of RM90.8 million in the previous financial period ended 31 December 2024.

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

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2025 Q4 vs 2025 Q3)

The Group recorded a revenue of RM226.8 million with profit before tax of RM35.9 million for the current quarter as compared to the revenue of RM154.1 million with profit before tax of RM11.2 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 RM609 million (including order book of Intelligent Automation of RM96 million) as at 17 February 2026 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 31.12.2025 RM'000	Cumulative Qtr To-date 31.12.2025 RM'000
Operating profit is arrived at after (crediting)/charging the following:		
Depreciation and amortization	7,485	30,498
Allowance for impairment loss/(gain)	2,438	(7,429)
Allowance for slow moving inventories	437	527
Foreign exchange (gain)/loss	2,980	(513)
(Gain)/loss on derivatives	(3,781)	(4,943)
(Gain)/loss on disposal of property, plant and equipment	(21)	(73)
Other Income	(230)	(923)
Finance costs	1,937	5,047
Interest income	(5,221)	(9,924)

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

B6. TAXATION

	Current Quarter 31.12.2025 RM'000	Cumulative Qtr To-date 31.12.2025 RM'000
Current tax expense		
Malaysian Tax	(6,243)	(15,602)
Overseas	1,017	(2,946)
	(5,226)	(18,548)
Deferred taxation expense		
Malaysian Tax	(1,430)	(5,033)
Overseas	(153)	(361)
	(1,583)	(5,394)
Total tax expense	(6,809)	(23,942)

The effective tax rate of the Group for the period ended 31 December 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

On 12 January 2026, Favelle Favco Berhad, a listed subsidiary of MEB had entered into a conditional share purchase agreement (“SPA”) with Marec Industrie SAS at France to acquire 100% equity interest in Seram Industries SAS (“Proposed Acquisition”) at an indicative cash consideration ranging between EUR7.5 million to EUR10 million (equivalent to approximately RM35.59 million to RM47.45 million). All required condition precedent (other than those mutually waived) have fulfilled on 9 February 2026.

B8. GROUP BORROWINGS AND DEBT SECURITIES

	Foreign currency		RM'000
	Currency	Amount	
a) Short term borrowings			
- Secured	RM	624	624
	DKK	3,933	2,509
	Sub-total		3,133
- Unsecured	RM	107,134	107,134
	AUD	2,500	6,784
	Sub-total		113,918
Total short term borrowings			117,051
b) Long term borrowings			
- Secured	RM	5,406	5,406
Total long term borrowings			5,406
Total borrowings			122,457

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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 DIVIDEND

The directors recommend a first and final tax exempt dividend of 9 sen per ordinary share (2024: 9 sen) in respect of the financial year ended 31 December 2025 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 2025.

B11. EARNINGS PER SHARE ("EPS")

Basic/Diluted EPS

	Basic EPS		Diluted EPS	
	Current 31.12.2025	Cumulative 31.12.2025	Current 31.12.2025	Cumulative 31.12.2025
Net profit attributable to the owners of the Company (RM'000)	23,766	49,891	23,766	49,891
Weighted average number of ordinary shares in issue ('000)	235,834	235,504	235,834	235,504
Effect of dilution: Share options ('000)	-	-	1,172	1,172
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	235,834	235,504	237,006	236,676
EPS (Sen)	10.08	21.18	10.03	21.08

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: 23 February 2026