

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2026**

	Unaudited As at 31.3.2026 RM'000	Audited As at 31.12.2025 RM'000
Assets		
Property, plant and equipment	540,111	525,221
Intangible assets	78,964	75,283
Investment in associates	8,350	8,519
Deferred tax assets	22,571	22,548
Long-term funds	2,498	2,898
Total non-current assets	652,494	634,469
Receivables, deposits and prepayments	271,816	276,901
Contract assets	167,787	140,560
Inventories	235,671	194,374
Current tax assets	5,576	4,702
Derivative assets	317	3,800
Cash and cash equivalents	189,817	218,313
Total current assets	870,984	838,650
Total assets	1,523,478	1,473,119
Equity		
Share capital	199,516	199,508
Reserves	618,415	612,554
Total equity attributable to owners of the Company	817,931	812,062
Non-controlling interests	32,126	30,261
Total equity	850,057	842,323
Liabilities		
Deferred tax liabilities	63,868	64,140
Hire Purchase and lease liabilities	4,230	4,489
Loans and borrowings	5,131	5,246
Payables and accruals	2,979	2,871
Total non-current liabilities	76,208	76,746
Provisions for warranties	28,019	28,117
Payables and accruals	275,768	252,207
Contract liabilities	139,624	143,111
Hire Purchase and lease liabilities	12,189	10,786
Loans and borrowings	139,518	117,051
Current tax liabilities	2,095	2,778
Total current liabilities	597,213	554,050
Total liabilities	673,421	630,796
Total equity and liabilities	1,523,478	1,473,119
Net assets per share attributable to owners of the Company (RM)	3.47	3.44

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2026 (1ST QUARTER)**

(The figures have not been audited)

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.3.2026	31.3.2025	31.3.2026	31.3.2025
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	153,154	175,328	153,154	175,328
Cost of sales, other income and operating expenses		(142,614)	(158,417)	(142,614)	(158,417)
Results from operating activities		10,540	16,911	10,540	16,911
Finance income		1,737	1,270	1,737	1,270
Finance costs		(1,806)	(657)	(1,806)	(657)
Operating profit	B5	10,471	17,524	10,471	17,524
Share of profit/(loss) of associates, net of tax		(169)	1,092	(169)	1,092
Profit before tax		10,302	18,616	10,302	18,616
Tax expense	B6	(2,213)	(4,053)	(2,213)	(4,053)
Profit for the period		8,089	14,563	8,089	14,563
Other comprehensive (expenses)/ income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(533)	2,919	(533)	2,919
Other comprehensive income for the period, net of tax		(533)	2,919	(533)	2,919
Total comprehensive income for the period		7,556	17,482	7,556	17,482
Profit/(loss) attributable to:					
Owners of the Company		6,205	12,627	6,205	12,627
Non-controlling interests		1,884	1,936	1,884	1,936
Profit for the period		8,089	14,563	8,089	14,563
Total comprehensive income attributable to:					
Owners of the Company		5,691	15,527	5,691	15,527
Non-controlling interests		1,865	1,955	1,865	1,955
Total comprehensive income for the period		7,556	17,482	7,556	17,482
Earnings per ordinary share					
Basic (Sen)	B11	2.63	5.37	2.63	5.37
Diluted (Sen)	B11	2.62	5.31	2.62	5.31

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2026 (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			
3 months ended 31 March 2026									
As at 1 January 2026	199,508	506	122,663	5,690	(3,006)	486,701	812,062	30,261	842,323
Profit/(loss) for the period	-	-	-	-	-	6,205	6,205	1,884	8,089
Foreign currency translation	-	(514)	-	-	-	-	(514)	(19)	(533)
Total comprehensive income for the period	-	(514)	-	-	-	6,205	5,691	1,865	7,556
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	2	-	-	(2)	-	-	-	-	-
- Share-based payments	-	-	-	172	-	-	172	-	172
- Issue of ordinary shares	6	-	-	-	-	-	6	-	6
As at 31 March 2026	199,516	(8)	122,663	5,860	(3,006)	492,906	817,931	32,126	850,057
3 months ended 31 March 2025									
As at 1 January 2025	198,323	745	122,671	4,782	(3,006)	459,011	782,526	28,166	810,692
Profit for the period	-	-	-	-	-	12,627	12,627	1,936	14,563
Foreign currency translation	-	2,900	-	-	-	-	2,900	19	2,919
Total comprehensive income for the period	-	2,900	-	-	-	12,627	15,527	1,955	17,482
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	3	-	-	(3)	-	-	-	-	-
- Share-based payments	-	-	-	303	-	-	303	-	303
- Issue of ordinary shares	10	-	-	-	-	-	10	-	10
As at 31 March 2025	198,336	3,645	122,671	5,082	(3,006)	471,638	798,366	30,121	828,487

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 2025 and the accompanying explanatory notes attached to the interim financial statements.

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2026 (1ST QUARTER)****(The figures have not been audited)**

	Unaudited Year ended 31.3.2026 RM'000	Unaudited Year ended 31.3.2025 RM'000
Cash flows from operating activities		
Profit before tax	10,302	18,616
Adjustments for:		
Allowance for impairment losses on trade receivables	304	2,424
Amortisation of right-of-use assets	1,504	1,459
Capital (gain)/Loss on short-term funds	(16)	(20)
Depreciation of property, plant and equipment	6,897	7,850
Finance costs	1,806	657
Finance income	(1,737)	(1,270)
(Gain)/Loss on disposal of property, plant and equipment	-	(1)
(Gain)/loss on foreign exchange	(3,763)	(343)
(Gain)/loss on derivatives	3,483	(1,045)
Provision for warranties	293	564
Reversal of impairment losses	(3,149)	(1,295)
Reversal of provision for warranties	(772)	(13)
Share-based payments	172	303
Share of loss/(profit) of equity accounted associates	169	(1,092)
Write-back of Inventories	(225)	(518)
Operating profit/(loss) before changes in working capital	15,268	26,276
Changes in working capital:		
Inventories	(360)	267
Payables and accruals	(17,969)	(6,716)
Receivables, deposits and prepayments	(185)	9,790
Cash generated from/(used in) operations	(3,246)	29,617
Interest received	1,734	1,267
Interest paid	(1,796)	(685)
Income tax paid	(3,765)	(4,716)
Warranties paid	-	(245)
Net cash generated from/(used in) operating activities	(7,073)	25,238
Cash flows from investing activities		
Acquisition of property, plant and equipment	(883)	(1,863)
Acquisition of subsidiary	(34,105)	-
Capital gain on short-term funds	16	20
Decrease/(Increase) in long-term funds	400	(12)
Proceeds from disposal of property, plant and equipment	623	37
Net cash generated from/(used in) investing activities	(33,949)	(1,818)

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2026 (1ST QUARTER)
(cont'd)**

	Unaudited Year ended 31.3.2026 RM'000	Unaudited Year ended 31.3.2025 RM'000
Cash flows from financing activities		
Net proceeds/(repayment) of loans and borrowings	2,772	4,845
Proceeds from issuance of new shares	6	10
Net cash generated from/(used in) financing activities	<u>2,778</u>	<u>4,855</u>
Exchange differences on translation of the financial statements of foreign operations	3,386	(895)
Net increase/(decrease) in cash and cash equivalents	<u>(34,858)</u>	<u>27,380</u>
Cash and cash equivalents at 1 January	215,804	156,165
Effect of exchange rate fluctuations on cash held	2,135	(291)
Cash and cash equivalents at 31 March	<u>183,081</u>	<u>183,254</u>

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

	31.3.2026 RM'000	31.3.2025 RM'000
Cash and bank balances	89,228	94,269
Short Term Investment	54,153	29,765
Deposit placed with licensed banks	46,436	59,220
Cash and cash equivalents per balance sheet	<u>189,817</u>	<u>183,254</u>
Bank overdrafts	<u>(6,736)</u>	<u>-</u>
	<u>183,081</u>	<u>183,254</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE YEAR ENDED 31 MARCH 2026 (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 2025. 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 2025.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2025 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2026:

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

- | | |
|---|----------------|
| • Amendments to MFRS 9 and MFRS7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| • Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| • Annual Improvements to MFRS Accounting Standards - Volume 11 | 1 January 2026 |

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> |
|---|-----------------------|
| • MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| • MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| • Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| • Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency | 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 2025 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 2026, a total of 4,000 new ordinary shares were issued at RM1.45 each, pursuant to the exercise of SIS granted in 2022.

A8. DIVIDEND 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	53,386	34,316	87,702
Outside Malaysia	65,452	-	65,452
	<u>118,838</u>	<u>34,316</u>	<u>153,154</u>
Profit before tax	2,937	7,365	10,302
Segment assets	1,321,539	193,589	1,515,128
Investments in associates	8,350	-	8,350
Total assets	<u>1,329,889</u>	<u>193,589</u>	<u>1,523,478</u>
Segments liabilities	<u>596,260</u>	<u>77,161</u>	<u>673,421</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 13 May 2026, which is likely to substantially affect the results of the operations of the Company.

A12. CHANGES IN THE GROUP'S COMPOSITION

On 9 February 2026, the Company had completed Share Purchase Agreement ("SPA") with Marec Industrie SAS ("Marec") for the acquisition of 100% equity interest in Seram Industries SAS ("Seram") for EUR7.5 million .

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 13 May 2026 is approximately RM114.32 million.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q1 2026 vs YTD Q1 2025)

The Group reported consolidated revenue of RM153.2 million with profit before tax of RM10.3 million as compared to revenue of RM175.3 million with profit before tax of RM18.6 million in the previous financial period ended 31 March 2025.

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

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2026 Q1 vs 2025 Q4)

The Group recorded a revenue of RM153.2 million with profit before tax of RM10.3 million for the current quarter as compared to the revenue of RM227.6 million with profit before tax of RM36.0 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 RM607 million (including order book of Intelligent Automation of RM115 million) as at 13 May 2026 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

Amid the uneven market environment, the Group continues to see encouraging signs of recovery in selected regions and market segments. The U.S. market has shown improvement, while potential opportunities are emerging from the port and shipyard industry. Nevertheless, ongoing geopolitical tensions in the Middle East and broader economic uncertainties may continue to affect market sentiment and investment activities. The Group will remain cautious while closely monitoring developments 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 31.3.2026 RM'000	Cumulative Qtr To-date 31.3.2026 RM'000
---	--

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

Depreciation and amortization	6,897	6,897
Allowance for impairment loss/(gain)	(2,845)	(2,845)
Foreign exchange (gain)/loss	(3,763)	(3,763)
(Gain)/loss on derivatives	3,483	3,483
Other Income	(171)	(171)
Finance costs	1,806	1,806
Interest income	(1,737)	(1,737)

--- The rest of this page has been intentionally left blank ---

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

B6. TAXATION

	Current Quarter 31.3.2026 RM'000	Cumulative Qtr To-date 31.3.2026 RM'000
Current tax expense		
Malaysian Tax	(2,007)	(2,007)
Overseas	(202)	(202)
	(2,209)	(2,209)
Deferred taxation expense		
Malaysian Tax	(9)	(9)
Overseas	5	5
	(4)	(4)
Total tax expense	(2,213)	(2,213)

The effective tax rate of the Group for the period ended 31 March 2026 was lower than the local statutory tax rate mainly due to utilisation of tax losses from a foreign subsidiary carries forward from previous year and over-provision of income tax in prior years.

B7. CORPORATE PROPOSAL

Save for the proposal mentioned on A12, there is no other proposal announced but pending implementation as at the date of this report.

B8. GROUP BORROWINGS AND DEBT SECURITIES

	Foreign currency		RM'000
	Currency	Amount	
a) Short term borrowings			
- Secured			
	RM	632	632
	AUD	1,500	4,164
	DKK	10,816	6,736
	EUR	1,355	6,286
	Sub-total		17,818
- Unsecured			
	RM	118,296	118,296
	AUD	1,034	2,870
	EUR	115	534
	Sub-total		121,700
Total short term borrowings			139,518
b) Long term borrowings			
- Secured			
Total long term borrowings	RM	5,131	5,131
Total borrowings			144,649

--- The rest of this page has been intentionally left blank ---

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 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	Cumulative	Current	Cumulative
	31.3.2026		31.3.2026	
Net profit attributable to the owners of the Company (RM'000)	6,205	6,205	6,205	6,205
Weighted average number of ordinary shares in issue ('000)	235,839	235,839	235,839	235,839
Effect of dilution: Share options ('000)	-	-	1,418	1,418
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	235,839	235,839	237,257	237,257
EPS (Sen)	2.63	2.63	2.62	2.62

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: 19 May 2026