FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Unaudited As at 30.6.2026 RM'000	Audited As at 31.12.2025 RM'000
Assets		
Property, plant and equipment	532,198	525,221
Intangible assets	83,081	75,283
Investment in associates	8,272	8,519
Deferred tax assets	20,457	22,548
Long-term funds	2,525	2,898
Total non-current assets	646,533	634,469
Receivables, deposits and prepayments	246,247	276,901
Contract assets	210,082	140,560
Inventories	246,057	194,374
Current tax assets	7,733	4,702
Derivative assets	-	3,800
Cash and cash equivalents	216,786	218,313
Total current assets	926,905	838,650
Total assets	1,573,438	1,473,119
Equity		
Share capital	200,175	199,508
Reserves	610,589	612,554
Total equity attributable to owners of the Company	810,764	812,062
Non-controlling interests	34,934	30,261
Total equity	845,698	842,323
Liabilities		
Deferred tax liabilities	63,714	64,140
Hire Purchase and lease liabilities	9,982	4,489
Loans and borrowings	5,017	5,246
Payables and accruals	3,182	2,871
Total non-current liabilities	81,895	76,746
Provisions for warranties	27,685	28,117
Payables and accruals	307,909	252,207
Contract liabilities	164,143	143,111
Hire Purchase and lease liabilities	9,380	10,786
Loans and borrowings	131,500	117,051
Current tax liabilities	3,483	2,778
Derivative liabilities	1,745	-
Total current liabilities	645,845	554,050
Total liabilities	727,740	630,796
Total equity and liabilities	1,573,438	1,473,119
Net assets per share attributable to owners of the Company (RM)	3.43	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 30 JUNE 2026 (2ND QUARTER)
(The figures have not been audited)

	Note	Current/Preceding Qtr Ended 30.6.2026 RM'000	30.6.2025 RM'000	Cumulative Qtr YTD 30.6.2026 RM'000	30.6.2025 RM'000
Revenue	A9	208,535	230,162	361,689	405,490
Cost of sales, other income and operating expenses		(186,372)	(209,797)	(328,986)	(368,214)
Results from operating activities		22,163	20,365	32,703	37,276
Finance income		2,253	1,643	3,990	2,913
Finance costs		(2,031)	(1,124)	(3,837)	(1,781)
Operating profit	B5	22,385	20,884	32,856	38,408
Share of profit/(loss) of associates, net of tax		(78)	(466)	(247)	626
Profit before tax		22,307	20,418	32,609	39,034
Tax expense	B6	(6,764)	(8,736)	(8,977)	(12,789)
Profit for the period		15,543	11,682	23,632	26,245
Other comprehensive (expenses)/ income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		684	2,744	151	5,663
Other comprehensive income for the period, net of tax		684	2,744	151	5,663
Total comprehensive income for the period		16,227	14,426	23,783	31,908
Profit/(loss) attributable to:					
Owners of the Company		12,663	8,237	18,868	20,864
Non-controlling interests		2,880	3,445	4,764	5,381
Profit for the period		15,543	11,682	23,632	26,245
Total comprehensive income attributable to:					
Owners of the Company		13,419	10,825	19,110	26,352
Non-controlling interests		2,808	3,601	4,673	5,556
Total comprehensive income for the period		16,227	14,426	23,783	31,908
Earnings per ordinary share					
Basic (Sen)	B11	5.37	3.50	8.00	8.87
Diluted (Sen)	B11	5.32	3.47	7.93	8.78

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 30 JUNE 2026 (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 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	-	-	-	-	-	18,868	18,868	4,764	23,632
Foreign currency translation	-	242	-	-	-	-	242	(91)	151
Total comprehensive income for the period	-	242	-	-	-	18,868	19,110	4,673	23,783
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	162	-	-	(162)	-	-	-	-	-
- Share-based payments	-	-	-	344	-	-	344	-	344
- Issue of ordinary shares	505	-	-	-	-	-	505	-	505
- Dividends to shareholders	-	-	-	-	-	(21,257)	(21,257)	-	(21,257)
As at 30 June 2026	200,175	748	122,663	5,872	(3,006)	484,312	810,764	34,934	845,698
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 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

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 30 JUNE 2026 (2ND QUARTER)
(The figures have not been audited)

	Unaudited Year ended 30.6.2026 RM'000	Unaudited Year ended 30.6.2025 RM'000
Cash flows from operating activities		
Profit before tax	32,609	39,034
Adjustments for:		
Allowance for impairment losses on trade receivables	4,611	3,419
Amortisation of right-of-use assets	3,095	2,686
Capital (gain)/Loss on short-term funds	(33)	(38)
Depreciation of property, plant and equipment	13,677	15,551
Finance costs	3,837	1,781
Finance income	(3,990)	(2,913)
(Gain)/Loss on disposal of property, plant and equipment	(3)	(20)
(Gain)/loss on foreign exchange	(6,912)	(1,981)
(Gain)/loss on derivatives	5,390	(2,615)
Property, plant and equipment written off	23	1,285
Provision for warranties	1,147	2,598
Reversal of impairment losses	(11,550)	(6,152)
Reversal of provision for warranties	(2,110)	(4,852)
Share-based payments	344	606
Share of loss/(profit) of equity accounted associates	247	(626)
Write-back of Inventories	(322)	(1,110)
Writedown of inventories	-	37
Operating profit/(loss) before changes in working capital	40,060	46,690
Changes in working capital:		
Inventories	(10,202)	(4,140)
Payables and accruals	16,999	(26,716)
Receivables, deposits and prepayments	(10,322)	41,988
Cash generated from/(used in) operations	36,535	57,822
Interest received	3,986	2,829
Interest paid	(3,819)	(1,757)
Income tax paid	(9,264)	(10,629)
Warranties paid	(64)	(339)
Net cash generated from/(used in) operating activities	27,374	47,926
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,579)	(5,236)
Acquisition of subsidiary	(38,873)	-
Capital gain on short-term funds	33	38
Decrease/(Increase) in long-term funds	373	57
Proceeds from disposal of property, plant and equipment	1,107	56
Net cash generated from/(used in) investing activities	(38,939)	(5,085)

FAVELLE FAVCO BHD

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026 (2ND QUARTER)
(cont'd)

	Unaudited Year ended 30.6.2026 RM'000	Unaudited Year ended 30.6.2025 RM'000
Cash flows from financing activities		
Net proceeds/(repayment) of loans and borrowings	(1,970)	5,607
Proceeds from issuance of new shares	505	32
Net cash generated from/(used in) financing activities	(1,465)	5,639
Exchange differences on translation of the financial statements of foreign operations	4,416	(3,525)
Net increase/(decrease) in cash and cash equivalents	(8,614)	44,955
Cash and cash equivalents at 1 January	215,804	156,165
Effect of exchange rate fluctuations on cash held	3,502	(640)
Cash and cash equivalents at 30 June	210,692	200,480

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

	30.6.2026 RM'000	30.6.2025 RM'000
Cash and bank balances	89,238	79,884
Short Term Investment	54,904	53,359
Deposit placed with licensed banks	72,644	67,237
Cash and cash equivalents per balance sheet	216,786	200,480
Bank overdrafts	(6,094)	-
	210,692	200,480

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.

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)	Effective Date
• 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 30 June 2026, a total of 344,000 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	112,901	83,415	196,316
Outside Malaysia	165,373	-	165,373
	278,274	83,415	**361,689**
Profit before tax	12,359	20,250	**32,609**
Segment assets	1,368,759	196,407	1,565,166
Investments in associates	8,272	-	8,272
Total assets	1,377,031	196,407	**1,573,438**
Segments liabilities	657,470	70,270	**727,740**

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 18 August 2026, which is likely to substantially affect the results of the operations of the Company.

A12. CHANGES IN THE GROUP'S COMPOSITION

Other than as disclosed below, there were no material changes in the composition of the Group during the current quarter under review:-

During the financial quarter, Exact Automation Sdn. Bhd., a 70% owned subsidiary of the Group, completed the acquisition of a 100% equity interest in Flameproof Electrical Enclosures UK Limited, which is a specialist in manufacturing of metal enclosures designed for use in explosive atmospheres on 31 May 2026 for a total cash consideration of GBP1.062 million.

A13. CONTINGENT ASSETS/LIABILITIES

Please refer to note B9 for contingent assets/liabilities for the Group.

A14. CAPITAL COMMITMENTS

There were no materials capital comitments as at the date of this report.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q2 2026 vs YTD Q2 2025)

The Group reported consolidated revenue of RM361.7 million with profit before tax of RM32.6 million as compared to revenue of RM405.5 million with profit before tax of RM39.0 million in the previous financial period ended 30 June 2025.

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

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2026 Q2 vs 2026 Q1)

The Group recorded a revenue of RM208.5 million with profit before tax of RM22.3 million for the current quarter as compared to the revenue of RM153.2 million with profit before tax of RM10.3 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 RM1.222 billion (including order book of Intelligent Automation of RM137 million) as at 18 August 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. Potential opportunities are emerging from the port and shipyard industry. The Group also sees encouraging opportunities arising from the continued growth in AI-related infrastructure investment. 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 30.6.2026 RM'000	Cumulative Qtr To-date 30.6.2026 RM'000
Operating profit is arrived at after (crediting)/charging the following:		
Depreciation and amortization	6,780	13,677
Allowance for impairment loss/(gain)	(4,094)	(6,939)
Foreign exchange (gain)/loss	(3,149)	(6,912)
(Gain)/loss on derivatives	1,907	5,390
(Gain)/loss on disposal of property, plant and equipment	(3)	(3)
Other Income	(410)	(581)
Finance costs	2,031	3,837
Interest income	(2,253)	(3,990)

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

B6. TAXATION

	Current Quarter 30.6.2026 RM'000	Cumulative Qtr To-date 30.6.2026 RM'000
Current tax expense		
Malaysian Tax	(3,067)	(5,074)
Overseas	(1,663)	(1,865)
	(4,730)	(6,939)
Deferred taxation expense		
Malaysian Tax	(2,251)	(2,260)
Overseas	217	222
	(2,034)	(2,038)
Total tax expense	**(6,764)**	**(8,977)**

The effective tax rate of the Group for the period ended 30 June 2025 is higher than the local statutory tax rate mainly due certain subsidiaries were making losses and certain expenses were not deductable for tax purpose.

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		
	Currency	Amount	RM'000
a) Short term borrowings			
- Secured	RM	639	639
	AUD	-	-
	DKK	9,785	6,093
	EUR	1,296	6,012
	Sub-total		12,744
- Unsecured	RM	116,706	116,706
	AUD	653	1,813
	EUR	51	237
	Sub-total		118,756
Total short term borrowings			**131,500**
b) Long term borrowings			
- Secured	RM	5,017	5,017
Total long term borrowings			**5,017**
Total borrowings			**136,517**

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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 are no material litigation that have material effect to the Group as at 18 August 2026 except for the followings:

Litigation against the Company and Favelle Favco Cranes (USA) Inc

Supreme Court of the State of New York, County of New York

There are several Suits against the Company and its subsidiary, Favelle Favco Cranes (USA) Inc ("FFU"), together with other defendants, commenced by individual and/or companies in the Supreme Court of the State of New York, County of New York, in connection with an incident at a construction site in New York on 26 July 2023.

The official independent investigation report did not attribute the incident to any failure by the crane manufacturer. Therefore, the insurer of the Company and FFU will take all necessary steps to vigorously defend the proceedings.

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
	30.6.2026		30.6.2026	
Net profit attributable to the owners of the Company (RM'000)	12,663	18,868	12,663	18,868
Weighted average number of ordinary shares in issue ('000)	235,925	235,882	235,925	235,882
Effect of dilution:				
Share options ('000)	-	-	2,004	2,004
Adjusted weighted average number of ordinary shares in issue and issuables ('000)	235,925	235,882	237,929	237,886
EPS (Sen)	5.37	8.00	5.32	7.93

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: 24 August 2026