



FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

FOR THE PERIOD ENDED 31 DECEMBER 2007 (4TH QUARTER)

	Unaudited As at 31.12.2007 RM'000	Audited As at 31.12.2006 RM'000
Non-Current Assets		
Property, plant and equipment	68,797	64,797
Intangible assets	3,981	6,665
Investment in associates	22	116
	72,800	71,578
Current Assets		
Trade and other receivables	122,567	106,710
Amount due from contract customers	143,324	136,326
Inventories	126,675	90,543
Tax recoverable	58	1,904
Cash and cash equivalents	73,507	27,208
	466,131	362,691
Current Liabilities		
Provisions	7,969	4,598
Trade and other payables	169,031	125,312
Amount due to contract customers	77,289	33,866
Loans and borrowings	130,024	125,651
Tax payable	1,684	117
	385,997	289,544
Net Current Assets	80,134	73,147
Non-Current Liabilities		
Long term borrowings	18,005	27,278
Deferred tax liabilities	2,185	2,324
	20,190	29,602
Net Assets	132,744	115,123
Total Equity Attributable to Shareholders of the Company		
Share capital	85,178	84,000
Reserves	47,587	31,123
Less: Treasury Shares	(21)	
Total Equity	132,744	115,123
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.78	0.69

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007 (4TH QUARTER)**

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		31.12.2007 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2006 RM'000
Revenue	A9	135,580	121,525	456,621	357,956
Cost of sales		(106,034)	(103,791)	(385,838)	(299,688)
Gross profit		29,546	17,734	70,783	58,268
Other income		(6,194)	(1,207)	2,834	-
Distribution expenses		(3,310)	(1,674)	(7,718)	(5,401)
Administrative expenses		(10,947)	(10,042)	(37,010)	(33,480)
Other expenses		(536)	356	(536)	(1,127)
Profit from operations		8,559	5,167	28,353	18,260
Interest expense		(1,727)	(2,125)	(7,918)	(7,535)
Interest income		367	(63)	1,334	417
Share of profit/(loss) after tax and minority interest of associates		(43)	(176)	(95)	(196)
Profit before taxation		7,156	2,803	21,674	10,946
Income tax expense	B5	(835)	(455)	(2,739)	(1,078)
Profit after taxation		6,321	2,348	18,935	9,868
Attributable to:					
Equity holders of the parent		6,321	2,348	18,935	9,868
Minority interests		N/A	N/A	N/A	N/A
		6,321	2,348	18,935	9,868
Earnings per share					
Basic (Sen)	B12	3.74	1.40	11.13	7.31
Diluted (Sen)	B12	3.62	1.37	10.75	7.11

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2007 (4TH QUARTER)**

(The figures have not been audited)

	Non-Distributable		Reserves		Distributable		Treasury Shares RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Reserves RM'000	Share Option Reserves RM'000	Retained Earnings RM'000	Sub-total RM'000		
12 months period ended 31 December 2007								
As at 1 January 2007	84,000	338	10,537	457	19,791	31,123	-	115,123
Issuance of shares	1,178	118	-	-	-	118	-	1,296
Corporate exercise expenses	-	-	-	-	-	-	-	-
Transfer to share premium for share options exercised	-	518	-	(518)	-	-	-	-
Share-based payment under ESOS	-	-	-	1,309	-	1,309	-	1,309
Exchange differences on translation of the financial statements of foreign entities	-	-	(938)	-	-	(938)	-	(938)
Net profit for the period	-	-	-	-	18,935	18,935	-	18,935
Treasury shares acquired	-	-	-	-	-	-	(21)	(21)
Dividends to shareholders	-	-	-	-	(2,960)	(2,960)	-	(2,960)
As at 31 December 2007	85,178	974	9,599	1,248	35,766	47,587	(21)	132,744
12 months period ended 31 December 2006								
As at 1 January 2006	50,000	-	10,428	-	9,923	20,351	-	70,351
Issuance of shares	34,000	2,400	-	-	-	2,400	-	36,400
Corporate exercise expenses	-	(2,062)	-	-	-	(2,062)	-	(2,062)
Share-based payment under ESOS	-	-	-	457	-	457	-	457
Exchange differences on translation of the financial statements of foreign entities	-	-	109	-	-	109	-	109
Net profit for the period	-	-	-	-	9,868	9,868	-	9,868
As at 31 December 2006	84,000	338	10,537	457	19,791	31,123	-	115,123

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007 (4TH QUARTER)
(The figures have not been audited)**

	Current Year To date 31.12.2007 RM'000	Preceding Year To date 31.12.2006 RM'000
Net cash generated from/(used in) operating activities	77,673	10,176
Net cash generated from/(used in) investing activities	(10,118)	(8,743)
Net cash generated from/(used in) financing activities	(22,432)	7,788
Net increase/(decrease) in cash and cash equivalents	45,123	9,221
Cash and cash equivalents at 1 January	13,556	5,069
Currency translation differences	(1,685)	(735)
Cash and cash equivalents at 30 September	56,994	13,555

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

	31.12.2007 RM'000	31.12.2006 RM'000
Cash and bank balances	62,489	17,507
Deposit placed with licensed banks	11,018	9,701
Cash and cash equivalents per balance sheet	73,507	27,208
Bank overdrafts	(16,513)	(13,653)
	56,994	13,555

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2007**

A NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements"), including compliance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2006, except for the accounting policy changes that are expected to be reflected in the 2007 audited financial statements.

Details of these changes in accounting policies are set out in Note A2. 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 2006.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised FRSs effective for financial period beginning 1 January 2007:

FRS 124	Related Party Disclosures
Amendment to FRS 119 ²⁰⁰⁴	Employee Benefits-Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of the above mentioned FRSs during the financial period does not have significant impact on the Group.

A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the preceding year ended 31 December 2006 were not subject to any qualification.

A4. EXPLANATORY COMMENT ON SEASONALITY OR CYCLICALITY

The Group is strengthening in tandem with the growth in the global oil and gas industry, and has been generating consistent growth in the sale of offshore oil and gas cranes.

A5. EXCEPTIONAL/UNUSUAL ITEMS

There are no exceptional/unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A6. CHANGE IN ESTIMATES

There are no material changes in estimates of amounts that have material effect in the current quarter.

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter under review except for the following:-

Employees' Share Option Scheme ("ESOS")

- a) During the current quarter ended 31 December 2007, a total of 400,000 new ordinary shares of RM0.50 each were issued at RM0.55 each, pursuant to the exercise of ESOS.

A8. DIVIDENDS

The directors recommend a first and final dividend of 6.5% less 26% taxation (2006: tax exempt dividend of 3.5%) per share subject to approval of the shareholders at the forthcoming Annual General Meeting. The payable final dividend is amounted to RM4.097 million (2006 : RM2.960 million).

The directors did not declare any interim dividend for the financial quarter under review.

A first & final tax-exempt dividend of 1.75sen (3.5%) per ordinary share of RM0.50 each totalling RM2.960 million in respect of the year ended 31 December 2006 was paid on 24 September 2007.

A9. SEGMENTAL INFORMATION

The financial information by business segment is not presented as the Group's activities are primarily in the manufacturing and supplying of cranes.

	Inside Malaysia RM'000	Outside Malaysia RM'000	Elimina- tions RM'000	Conso- lidated RM'000
GEOGRAPHICAL SEGMENTS				
Revenue from external customers	180,393	276,228	-	456,621
Inter-segment revenue	144,365	112,444	(256,809)	-
Total revenue	324,758	388,672	(256,809)	456,621
Operating profit	20,495	22,937	(15,079)	28,353
Interest expense	(7,716)	(945)	743	(7,918)
Interest income	479	1,593	(738)	1,334
Share of profit/(loss) after tax and minority interest of associates	(95)	-	-	(95)
Profit before taxation	13,163	23,585	(15,074)	21,674
Segment assets	523,263	377,488	(361,842)	538,909
Investments in associates	22	-	-	22
Total assets	523,285	377,488	(361,842)	538,931
Segments liabilities	386,439	313,316	(293,568)	406,187

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment of the Group and the Company are stated at cost less accumulated depreciation and accumulated impairment losses, if any. None of the property, plant and equipment are stated at valuation.

A11. MATERIAL SUBSEQUENT EVENT

There were no material subsequent event from the end of the quarter to 22 February 2008, 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 LIABILITIES/ASSETS AS AT 31 DECEMBER 2007

	RM'000
Corporate guarantee for credit facilities granted to subsidiary companies	111,871
Performance guarantee granted to subsidiary companies	147,366
	<u>259,237</u>

There were no contingent assets as at 31 December 2007.

A14. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2007 and up to the date of this report.

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

B1. REVIEW OF THE GROUP PERFORMANCE

For the current year ended 31 December 2007, the Group recorded revenue of RM456.621 million mainly attributed to the increase order due to marketing, the Group recorded a profit before taxation of RM21.674 million.

The effective tax rate of the Group is lower as profits from crane revenue in Malaysia enjoys tax exemption due to our pioneer status.

The improvement in net profit for the Group is also contributed by increase in the revenue and also due to improvement operational efficiencies across out the Group's operation restructuring.

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2007 Q4 vs 2007 Q3)

The Group recorded a profit before taxation of RM7.156 million for the current quarter as compared to the profit before taxation of RM5.078 million in the preceding quarter. The increase was mainly attributable to increase in revenue and improved margin .

B3. GROUP'S CURRENT YEAR PROSPECT

As at 22 February 2008, outstanding order book of the Group is RM585 million, 58% from oil and gas cranes for the offshore oil and gas exploration and production activities.

With the secured order book and operation restructuring plan in place, the Group will see improvement in year 2008.

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

B4. PROFIT FORECAST

The Group did not issue any forecast for the current financial year.

B5. TAX EXPENSE

	Current Quarter 31.12.2007 RM'000	Cumulative Qtr To-date 31.12.2007 RM'000
Current tax expense		
Malaysian Tax	(710)	(1,460)
Overseas	(171)	(1,377)
	(881)	(2,837)
Deferred taxation expense		
Malaysian Tax	-	-
Overseas	46	98
	46	98
Total tax expense	(835)	(2,739)

The effective tax rate of the Group for the year ended 31 December 2007 is lower than the local statutory tax rate mainly due to tax exempt income from pioneer status enjoyed by the the local subsidiary granted by the relevant authorities.

B6. SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There is no sales of unquoted investments and/or properties during the period under review.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities in the current quarter.

B8. CORPORATE PROPOSAL

Status of Utilisation of Proceeds

As at 22 February 2008, the following are the details of the utilization of the IPO proceeds:-

	Proposed Utilization of IPO proceeds RM'000	Utilised to date RM'000	Balance RM'000
Repayment of bank borrowings	10,000	10,000	-
Repayment of net amount owing to holding company	8,500	8,500	-
Research & development	3,000	3,000	-
Listing expenses	2,000	2,000	-
Working capital	2,900	2,900	-
	<u>26,400</u>	<u>26,400</u>	<u>-</u>

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

B9. GROUP BORROWINGS AND DEBT SECURITIES

		Foreign currency		RM'000
		Currency	Amount	
a) Short term borrowings	Secured	RM	2,112	2,112
		DKK	26,482	17,063
		USD		
		Sub-total		19,175
	Unsecured	RM	108,947	108,947
		AUD	299	869
		SGD	257	591
		USD		
		Sub-total		110,407
b) Hire purchase and finance lease		RM	352	352
		AUD	31	90
		Sub-total		442
Total short term borrowings				130,024

		Foreign currency		RM'000
		Currency	Amount	
a) Long term borrowings	Secured	RM	14,243	14,243
		Sub-total		14,243
	Unsecured	RM	2,700	2,700
		Sub-total		2,700
b) Hire purchase and finance lease		RM	942	942
		SGD	42	97
		AUD	8	23
		Sub-total		1,062
Total long term borrowings				18,005
Total borrowings				148,029

B10. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

The outstanding foreign exchange forward contracts of the Group with maturity date within 1 year, as at 22 February 2008 are as follows:

Principal Foreign Currency Sell	Amount 000	Forward Contracted Exchange Rate	Equivalent Currency 000
US Dollar	USD 81,594	3.2332 - 3.4594	RM 270,831
US Dollar	USD 14,022	1.1050 - 1.1830	AUD 16,322

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

B10. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK (Cont'd)

The difference between the above forward foreign contracts and the prevailing exchange rate would be recognised in the income statement upon realisation of the related receipts or payments, or upon maturity, whichever is earlier. There is minimal credit and market risk because the contracts are hedged with reputable banks.

B11. CHANGES IN MATERIAL LITIGATION

There are no material litigations that have material effect to the Group as at 22 February 2008.

B12. EARNING PER SHARE ("EPS")

a) Basic EPS

Basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period

	Current Quarter 31.12.2007	Cumulative Qtr To-date 31.12.2007
Net profit for the period (RM'000)	6,321	18,935
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	168,834	170,122
Basic EPS (Sen)	3.74	11.13

b) Diluted EPS

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effect of all potential ordinary shares, ie share options granted to employees.

	Current Quarter 31.12.2007	Cumulative Qtr To-date 31.12.2007
Net profit for the period (RM'000)	6,321	18,935
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	168,834	170,122
Effect of dilution ('000)	5,995	5,995
Adjusted weighted average number of ordinary shares in issue and issuable (based on ordinary share of RM0.50 each) ('000)	174,829	176,117
Diluted EPS (Sen)	3.62	10.75

B13. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 February 2008.

ON BEHALF OF THE BOARD

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Klang

26 February 2008