



FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2009**

	Unaudited As at 31.12.2009 RM'000	Audited As at 31.12.2008 RM'000
Assets		
Property, plant and equipment	99,845	81,023
Intangible assets	11,185	14,142
Investment in associates	84	36
Deferred tax assets	1,560	-
Total non-current assets	112,674	95,201
Receivables, deposits and prepayments	183,237	183,835
Contract work-in-progress	101,321	141,819
Inventories	153,228	136,029
Current tax assets	441	232
Cash and cash equivalents	126,509	53,163
Total current assets	564,736	515,078
Total assets	677,410	610,279
Equity		
Share capital	86,175	85,514
Reserves	102,925	75,613
Total equity attributable to shareholders of the Company/Total equity	189,100	161,127
Liabilities		
Loans and borrowings	11,189	13,680
Deferred tax liabilities	4,080	2,188
Total non-current liabilities	15,269	15,868
Provisions	8,454	7,256
Payables and accruals	194,954	167,283
Amount due to contract customers	125,202	112,930
Loans and borrowings	133,770	141,591
Current tax liabilities	10,661	4,224
Total current liabilities	473,041	433,284
Total liabilities	488,310	449,152
Total equity and liabilities	677,410	610,279
Net assets per share attributable to shareholders of the Company (RM)	1.10	0.94

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 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 YEAR ENDED 31 DECEMBER 2009 (4TH QUARTER)**

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
Revenue	A9	175,899	187,164	535,835	581,125
Cost of sales		(146,055)	(151,852)	(443,085)	(498,412)
Gross profit		29,844	35,312	92,750	82,713
Other income		(640)	3,039	1,628	6,068
Distribution expenses		(3,057)	(4,192)	(11,036)	(9,800)
Administrative expenses		(12,333)	(11,309)	(42,860)	(40,474)
Other expenses		(714)	(6,319)	(714)	(6,319)
Results from operating activities		13,100	16,531	39,768	32,188
Interest income		227	606	447	1,377
Finance costs		(1,214)	(1,532)	(5,028)	(6,197)
Operating profit		12,113	15,605	35,187	27,368
Share of profit/(loss) after tax of equity accounted associates		(28)	1	48	14
Profit before tax		12,085	15,606	35,235	27,382
Tax expense	B5	(887)	(4,214)	(7,452)	(5,558)
Profit for the period		11,198	11,392	27,783	21,824
Attributable to:					
Equity holders of the parent		11,198	11,392	27,783	21,824
Minority interests		N/A	N/A	N/A	N/A
		11,198	11,392	27,783	21,824
Earnings per ordinary share					
Basic (Sen)	B13	6.47	6.66	16.20	12.79
Diluted (Sen)	B13	6.40	6.58	16.02	12.64

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 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 YEAR ENDED 31 DECEMBER 2009 (4TH QUARTER)**

(The figures have not been audited)

	← Reserves →					→		Treasury Shares RM'000	Total RM'000
	← Non-Distributable →			→ Distributable →		Retained Earnings RM'000	Sub-total RM'000		
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Retained Earnings RM'000	Sub-total RM'000	Treasury Shares RM'000	Total RM'000
12 months period ended 31 December 2009									
As at 1 January 2009	85,514	1,142	6,436	15,105	1,686	51,265	75,634	(21)	161,127
Foreign exchange translation differences	-	-	7,226	-	-	-	7,226	-	7,226
Revaluation of freehold land	-	-	-	(3,780)	-	-	(3,780)	-	(3,780)
Realisation of translation reserve	-	-	781	-	-	(781)	-	-	-
Net gains recognised directly in equity	-	-	8,007	(3,780)	-	(781)	3,446	-	3,446
Profit for the year	-	-	-	-	-	27,783	27,783	-	27,783
Total recognised income for the year	-	-	8,007	(3,780)	-	27,002	31,229	-	31,229
Share options exercised	661	66	-	-	-	-	66	-	727
Transfer to share premium for share options exercised	-	251	-	-	(251)	-	-	-	-
Share-based payments	-	-	-	-	320	-	320	-	320
Dividends to shareholders	-	-	-	-	-	(4,303)	(4,303)	-	(4,303)
As at 31 December 2009	86,175	1,459	14,443	11,325	1,755	73,964	102,946	(21)	189,100
12 months period ended 31 December 2008									
As at 1 January 2008	85,178	974	7,776	-	1,248	35,766	45,764	(21)	130,921
Foreign exchange translation differences	-	-	(3,553)	-	-	-	(3,553)	-	(3,553)
Revaluation of freehold land	-	-	-	15,105	-	-	15,105	-	15,105
Realisation of translation reserve	-	-	2,213	-	-	(2,213)	-	-	-
Net gains recognised directly in equity	-	-	(1,340)	15,105	-	(2,213)	11,552	-	11,552
Profit for the year	-	-	-	-	-	21,824	21,824	-	21,824
Total recognised income for the year	-	-	(1,340)	15,105	-	19,611	33,376	-	33,376
Share options exercised	336	33	-	-	-	-	33	-	369
Transfer to share premium for share options exercised	-	135	-	-	(135)	-	-	-	-
Share-based payments	-	-	-	-	573	-	573	-	573
Dividends to shareholders	-	-	-	-	-	(4,112)	(4,112)	-	(4,112)
As at 31 December 2008	85,514	1,142	6,436	15,105	1,686	51,265	75,634	(21)	161,127

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 2008 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 YEAR ENDED 31 DECEMBER 2009 (4TH QUARTER)
(The figures have not been audited)**

	Current Year To date 31.12.2009 RM'000	Preceding Year To date 31.12.2008 RM'000
Net cash generated from/(used in) operating activities	93,359	23,484
Net cash generated from/(used in) investing activities	(26,485)	(5,966)
Net cash generated from/(used in) financing activities	2,423	(21,331)
Net increase/(decrease) in cash and cash equivalents	69,297	(3,813)
Cash and cash equivalents at 1 January	48,891	56,995
Currency translation differences	8,215	(4,291)
Cash and cash equivalents at 31 December	126,403	48,891

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

	31.12.2009 RM'000	31.12.2008 RM'000
Cash and bank balances	122,665	53,163
Deposit placed with licensed banks	3,844	-
Cash and cash equivalents per balance sheet	126,509	53,163
Bank overdrafts	(106)	(4,272)
	126,403	48,891

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 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 YEAR ENDED 31 DECEMBER 2009 (4TH QUARTER)**

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 2008, except for the accounting policy changes that are expected to be reflected in the 2010 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 2008.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

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 2008 except for the adoption of the following applicable revised FRSs that are effective for the Group's annual reporting date, 31 December 2010.

FRSs / Interpretations	Effective date
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs.

The initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of 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 2008 were not subject to any qualification.

A4. EXPLANATORY COMMENT ON SEASONALITY OR CYCLICALITY

We expect to ride fairly with the current cycle.

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

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.

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")

During the current quarter ended 31 December 2009, a total of 114,000 new ordinary shares of RM0.50 each were issued at RM0.55 each, pursuant to the exercise of ESOS.

A8. DIVIDENDS PAID

There is no dividend paid for the financial quarter under review.

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	Conso- lidated RM'000
GEOGRAPHICAL SEGMENTS			
Revenue	202,941	332,894	535,835
Operating profit			39,768
Interest income			447
Finance costs			(5,028)
Share of profit/(loss) after tax of equity accounted associates			48
Profit before tax			35,235
Segment assets			677,326
Investments in associates			84
Total assets			677,410
Segments liabilities			488,310

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 19 February 2010, 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.

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

A13. CONTINGENT LIABILITIES/ASSETS AS AT 31 DECEMBER 2009

Contingent liabilities - unsecured

Corporate guarantee for credit facilities granted to subsidiary companies
Performance guarantee granted to subsidiary companies

RM'000

162,771

270,413

433,184

Contingent liabilities - litigation

Please refer to note B11.

Contingent assets

There were no contingent assets as at 31 December 2009.

A14. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2009 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 (YTD Q4 2009 vs YTD Q4 2008)

For the current year ended 31 December 2009("Q4 2009"), the Group recorded revenue of RM535.8 million with profit before tax of RM35.2 million as compared with revenue of RM581.1 million with profit before tax of RM27.4 million in the preceding year ended 31 December 2008("Q4 2008"), the improvement in net profit for the Group is mainly contributed by improvement in margin from sales of cranes.

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2009 Q4 vs 2009 Q3)

The Group recorded a profit before tax of RM12.1 million for the current quarter as compared to the profit before tax of RM9.5 million in the preceding quarter. The increase was mainly due to increase in sales.

B3. GROUP'S CURRENT YEAR PROSPECT

As at 19 February 2010, outstanding order book of the Group is RM418 million of which majority is from oil and gas cranes for the offshore oil and gas exploration and production activities. Remaining are from the shipyard, construction and wind turbine industry.

The Group will continue to execute and deliver its existing order book secured in hand. However the outlook appears challenging although we foresee our Group maintaining market share from our diversified customer base.

B4. PROFIT FORECAST

The Group has not issued any profit forecast to the relevant authorities and is not subject to any profit guarantee.

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

B5. TAX EXPENSE

	Current Quarter 31.12.2009 RM'000	Cumulative Qtr To-date 31.12.2009 RM'000
Current tax expense		
Malaysian Tax	(139)	(1,021)
Overseas	(3,862)	(9,545)
	(4,001)	(10,566)
Deferred taxation expense		
Malaysian Tax	1,500	1,500
Overseas	1,614	1,614
	3,114	3,114
Total tax expense	(887)	(7,452)

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

(being a date not earlier than seven (7) days from the date of issue of the quarterly report)

There is no other proposal announced but pending implementation as at the date of this report.

B9. GROUP BORROWINGS AND DEBT SECURITIES

	Foreign currency		RM'000
	Currency	Amount	
a) Short term borrowings			
Secured	RM	2,112	2,112
	Sub-total		2,112
Unsecured	RM	129,541	129,541
	AUD	532	1,633
	Sub-total		131,174
b) Hire purchase and finance lease	RM	211	211
	DKK	412	273
	Sub-total		484
Total short term borrowings			133,770

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

B9. GROUP BORROWINGS AND DEBT SECURITIES (Cont'd)

		Foreign currency		RM'000
		Currency	Amount	
a)	Long term borrowings			
	Secured	RM	10,019	10,019
		Sub-total		10,019
b)	Hire purchase and finance lease			
		RM	247	247
		DKK	1,393	923
		Sub-total		1,170
Total long term borrowings				11,189
Total borrowings				144,959

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 19 February 2010 are as follows:

		Principal Foreign Currency		Equivalent Currency	
		Amount		Currency	
		000		000	
Sell:	US Dollar	USD	51,527	RM	178,132
	US Dollar	USD	8,320	AUD	9,236
	EURO	EUR	5,410	RM	25,910
	SGD	SGD	7,000	RM	17,016

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 19 February 2010 except for the following:-

**Litigation against the Company and Favelle Favco Cranes (USA) Inc
Supreme Court of the State of New York**

The Suits against the Company and its subsidiary, Favelle Favco Cranes (USA) Inc ("FFU"), commenced by persons/companies in New York *vide* suits instituted in the Supreme Court of the State of New York, as previously reported remain ongoing.

The Company and FFU intend to vigorously defend the same.

B12. PROPOSED DIVIDENDS

The directors recommend a first and final tax exempt dividend of 4 sen per share subject to approval of the shareholders at the forthcoming Annual General Meeting. The payable final dividend is amounted to RM6.894 million.

The first and final dividend for 2009 is computed based on the issued and paid up share capital (excluding treasury share) of 172,339,020 ordinary shares of RM0.50 each as at 31 December 2009.

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

B13. EARNINGS PER ORDINARY 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 31.12.2009	Cumulative Qtr To-date 31.12.2009
Profit for the period (RM'000)	11,198	27,783
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	172,991	171,515
Basic EPS (Sen)	6.47	16.20

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 31.12.2009	Cumulative Qtr To-date 31.12.2009
Profit for the period (RM'000)	11,198	27,783
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	172,991	171,515
Effect of dilution ('000)	1,923	1,923
Adjusted weighted average number of ordinary shares in issue and issuales (based on ordinary share of RM0.50 each) ('000)	174,914	173,438
Diluted EPS (Sen)	6.40	16.02

B14. COMPARATIVE FIGURES

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

B15. 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 24 February 2010.

Date: 25 February 2010