

**FAVELLE FAVCO BHD** (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011**

	Unaudited As at 31.12.2011 RM'000	Audited As at 31.12.2010 RM'000
<b>Assets</b>		
Property, plant and equipment	105,113	98,214
Intangible assets	6,346	8,652
Investment in associates	5,757	6,316
Deferred tax assets	2,368	2,627
<b>Total non-current assets</b>	<b>119,584</b>	<b>115,809</b>
Receivables, deposits and prepayments	138,925	163,943
Contract work-in-progress	123,265	78,344
Inventories	181,345	139,025
Current tax assets	307	1,077
Derivative assets	2,987	9,620
Cash and cash equivalents	114,896	84,430
<b>Total current assets</b>	<b>561,725</b>	<b>476,439</b>
<b>Total assets</b>	<b>681,309</b>	<b>592,248</b>
<b>Equity</b>		
Share capital	89,584	88,568
Reserves	148,362	107,040
<b>Total equity attributable to shareholders of the Company</b>	<b>237,946</b>	<b>195,608</b>
<b>Minority interests</b>	<b>3,556</b>	<b>-</b>
<b>Total equity</b>	<b>241,502</b>	<b>195,608</b>
<b>Liabilities</b>		
Loans and borrowings	6,155	8,450
Deferred tax liabilities	5,413	4,420
<b>Total non-current liabilities</b>	<b>11,568</b>	<b>12,870</b>
Provisions	6,536	5,521
Payables and accruals	216,385	190,783
Amount due to contract customers	157,921	140,547
Loans and borrowings	45,246	43,553
Current tax liabilities	2,151	3,366
<b>Total current liabilities</b>	<b>428,239</b>	<b>383,770</b>
<b>Total liabilities</b>	<b>439,807</b>	<b>396,640</b>
<b>Total equity and liabilities</b>	<b>681,309</b>	<b>592,248</b>
<b>Net assets per share attributable to shareholders of the Company (RM)</b>	<b>1.33</b>	<b>1.10</b>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**FAVELLE FAVCO BHD (249243-W)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2011 (4TH QUARTER)**

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
<b>Revenue</b>	A9	181,696	100,647	485,097	385,468
Cost of sales		(133,407)	(81,182)	(379,179)	(311,234)
<b>Gross profit</b>		48,289	19,465	105,918	74,234
Other income		2,542	2,118	9,363	4,590
Distribution expenses		(3,459)	(3,542)	(9,565)	(8,912)
Administrative expenses		(19,984)	(9,284)	(48,517)	(36,952)
Other expenses		1,054	-	-	-
<b>Results from operating activities</b>		28,442	8,757	57,199	32,960
Finance income		550	3,281	2,824	3,686
Finance costs		(5,533)	(241)	(7,173)	(2,199)
<b>Operating profit</b>	B5	23,459	11,797	52,850	34,447
Share of profit/(loss) of associates, net of tax		(158)	(105)	(657)	(284)
<b>Profit before tax</b>		23,301	11,692	52,193	34,163
Tax expense	B6	(3,096)	(1,587)	(4,603)	(5,555)
<b>Profit for the period</b>		20,205	10,105	47,590	28,608
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		(470)	759	1,833	(7,202)
<b>Other comprehensive income for the period, net of tax</b>		(470)	759	1,833	(7,202)
<b>Total comprehensive income for the period</b>		19,735	10,864	49,423	21,406
<b>Profit/(loss) attributable to:</b>					
Equity holders of the parent		20,219	10,105	47,604	28,608
Minority interests		(14)	N/A	(14)	N/A
<b>Profit for the period</b>		20,205	10,105	47,590	28,608
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		19,755	10,864	49,443	21,406
Minority interests		(20)	N/A	(20)	N/A
<b>Total comprehensive income for the period</b>		19,735	10,864	49,423	21,406
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	11.29	5.71	26.69	16.36
Diluted (Sen)	B11	11.07	5.68	26.18	16.27

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2011 (4TH QUARTER)  
(The figures have not been audited)**

	←←←← Attributable to equity holders of the Company →→→→						Retained Earnings RM'000	Total equity attributable to shareholders of the Company RM'000	Minority interest RM'000	Total Equity RM'000
	←←←← Non-Distributable			→→→→ Distributable						
	Share Capital RM'000	Share Premium RM'000	Translation Reserves RM'000	Revaluation Reserves RM'000	Share Options Reserves RM'000	Treasury Shares RM'000				
<b>12 months period ended 31 December 2011</b>										
<b>As at 1 January 2011</b>	88,568	2,625	7,238	11,325	977	(21)	84,896	195,608	-	195,608
Profit for the period	-	-	-	-	-	-	47,604	47,604	(14)	47,590
Foreign currency translation	-	-	1,839	-	-	-	-	1,839	(6)	1,833
Total comprehensive income for the period	-	-	1,839	-	-	-	47,604	49,443	(20)	49,423
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	3,576	3,576
Share options exercised	1,016	282	-	-	-	-	-	1,298	-	1,298
Transfer to share premium for share options exercised	-	449	-	-	(449)	-	-	-	-	-
Expiry of ESOS	-	-	-	-	(528)	-	528	-	-	-
Share-based payments	-	-	-	-	554	-	-	554	-	554
Shares repurchased	-	-	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	(8,957)	(8,957)	-	(8,957)
<b>As at 31 December 2011</b>	<b>89,584</b>	<b>3,356</b>	<b>9,077</b>	<b>11,325</b>	<b>554</b>	<b>(21)</b>	<b>124,071</b>	<b>237,946</b>	<b>3,556</b>	<b>241,502</b>
<b>12 months period ended 31 December 2010</b>										
<b>As at 1 January 2010</b>										
as previously stated	86,175	1,459	14,440	11,325	1,756	(21)	74,745	189,879	-	189,879
effect of adopting FRS 139	-	-	-	-	-	-	(11,383)	(11,383)	-	(11,383)
<b>As at 1 January 2010, as restated</b>	<b>86,175</b>	<b>1,459</b>	<b>14,440</b>	<b>11,325</b>	<b>1,756</b>	<b>(21)</b>	<b>63,362</b>	<b>178,496</b>	<b>-</b>	<b>178,496</b>
Profit for the period	-	-	-	-	-	-	28,608	28,608	-	28,608
Foreign currency translation	-	-	(7,202)	-	-	-	-	(7,202)	-	(7,202)
Total comprehensive income for the period	-	-	(7,202)	-	-	-	28,608	21,406	-	21,406
Share options exercised	2,393	251	-	-	-	-	-	2,644	-	2,644
Transfer to share premium for share options exercised	-	915	-	-	(915)	-	-	-	-	-
Share-based payments	-	-	-	-	136	-	-	136	-	136
Dividends to shareholders	-	-	-	-	-	-	(7,074)	(7,074)	-	(7,074)
<b>As at 31 December 2010</b>	<b>88,568</b>	<b>2,625</b>	<b>7,238</b>	<b>11,325</b>	<b>977</b>	<b>(21)</b>	<b>84,896</b>	<b>195,608</b>	<b>-</b>	<b>195,608</b>

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

**FAVELLE FAVCO BHI (249243-W)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011 (4TH QUARTER)****(The figures have not been audited)**

	Current Year To date 31.12.2011 RM'000	Preceding Year To date 31.12.2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	52,193	34,163
Adjustments for:		
Impairment loss on receivables	6,046	1,899
Impairment loss on receivables written back	(3,682)	(2,132)
Allowance for slow moving inventories	831	1,852
Amortisation of intangible assets	2,039	1,928
Depreciation of property, plant and equipment	16,226	10,217
Loss/(Gain) on disposal of property, plant and equipment	(73)	11
Finance costs	7,173	2,199
Provision for warranties	3,416	2,002
Interest income	(2,824)	(3,686)
Property, plant and equipment written off	2,026	3
Intangible assets written off	5,449	-
Unrealised loss/(gain) on foreign exchange	(6,807)	(3,591)
Share-based payments	554	136
Share of loss/(profit) of equity accounted associates	657	284
Reversal of provision for warranties	(2,420)	(4,195)
Operating profit/(loss) before changes in working capital changes	80,804	41,090
Changes in working capital:		
Development costs	(4,988)	(92)
Inventories	(42,320)	13,277
Payables and accruals	(12,134)	(77,646)
Receivables, deposits and prepayments	49,821	36,352
Cash generated from operations	71,183	12,981
Interest received	1,006	712
Interest paid	(1,331)	(1,646)
Provisions paid	(56)	(255)
Taxes paid	(3,784)	(12,726)
<b>Net cash generated from/(used in) operating activities</b>	67,018	(934)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(28,820)	(16,815)
Acquisition of an associate	(98)	(6,517)
Acquisition of a subsidiary, net cash inflow	3,576	-
Proceeds from disposal of property, plant and equipment	4,143	2,887
<b>Net cash generated from/(used in) investing activities</b>	(21,199)	(20,445)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011 (4TH QUARTER)  
(cont'd)**

	Current Year To date 31.12.2011 RM'000	Preceding Year To date 31.12.2010 RM'000
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders of the Company	(8,957)	(7,074)
Interest paid	(711)	(552)
Proceeds from issue of shares under ESOS scheme	1,298	2,644
Net proceeds from/(repayment of) revolving credit	216	(15,038)
Payment of finance lease liabilities	(230)	(872)
Repayment of term loans	(2,695)	(594)
<b>Net cash generated from/(used in) financing activities</b>	<u>(11,079)</u>	<u>(21,486)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	34,740	(42,865)
<b>Cash and cash equivalents at 1 January</b>	79,691	126,404
<b>Currency translation differences</b>	465	(3,848)
<b>Cash and cash equivalents at 31 December</b>	<u>114,896</u>	<u>79,691</u>

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

	31.12.2011 RM'000	31.12.2010 RM'000
Cash and bank balances	107,725	66,795
Deposit placed with licensed banks	7,171	17,635
Cash and cash equivalents per balance sheet	<u>114,896</u>	<u>84,430</u>
Bank overdrafts	-	(4,739)
	<u>114,896</u>	<u>79,691</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 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 2011 (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 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 2010, except for the accounting policy changes that are expected to be reflected in the 2012 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 2010.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

#### **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 2010 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are effective for annual periods beginning on or after 1 July 2010 or 1 January 2011:

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010***

- FRS 1, First-time Adoption of Financial Reporting Standards
- FRS 3 (revised), Business Combinations
- FRS 127 (revised), Consolidated and Separate Financial Statements
- Amendments to FRS 5, Plan to Sell the Controlling Interest in a Subsidiary
- Amendments to FRS 2, Scope of FRS2 and FRS3 (revised)
- Amendments to FRS 138, Consequential Amendments Arising from FRS 3 (revised)
- Amendments to IC Interpretation 9, Scope of IC Interpretation 9 and FRS 3 (revised)
- IC Interpretation 12, Service Concession Arrangements
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distributions of Non-cash Assets to Owners

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011***

- Amendments to FRS 2, Share-based Payment: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 1 (revised), Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
- Amendments to FRS 7, Improving Disclosures about Financial Instruments
- IC Interpretation 18, Transfers of Assets from Customers
- IC Interpretation 4, Determining Whether An Arrangement Contains a Lease

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

### A2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

#### a) FRS 3 (revised), Business Combinations

- FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations:
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit and loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2011 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2011 consolidated financial statements.

#### b) FRS 127 (revised), Consolidated and Separate Financial Statements

FRS 127 (revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (revised) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for its future transactions or arrangements.

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no effect to the Group's consolidated financial statements for the current quarter or the comparative consolidated financial statements for the prior financial year.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2012 to amounts reflecting the application of MFRS Framework.

The Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

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

### A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the preceding year ended 31 December 2010 were not subject to any qualification.

### A4. EXPLANATORY COMMENT ON SEASONALITY OR CYCLICALITY

We expect to ride fairly with the current cycle.

### 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.

### A8. DIVIDENDS PAID

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

### A9. SEGMENT REVENUE

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
<b>GEOGRAPHICAL SEGMENTS</b>			
<b>Revenue</b>	<b>232,229</b>	<b>252,868</b>	<b>485,097</b>
<b>Results from operating activities</b>			<b>57,199</b>
Finance income			2,824
Finance costs			(7,173)
Share of profit/(loss) of associates, net of tax			(657)
<b>Profit before tax</b>			<b>52,193</b>
Segment assets			675,552
Investments in associates			5,757
<b>Total assets</b>			<b>681,309</b>
<b>Segments liabilities</b>			<b>439,807</b>

### 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 16 February 2012, which is likely to substantially affect the results of the operations of the Company.



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

### 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 2011

#### Contingent liabilities - unsecured

Corporate guarantee for credit facilities granted to subsidiary companies

RM'000

86,822

In the ordinary course of business, the Group and the Company also issue bank and performance guarantees to customers who awarded contracts to the Group and the Company.

#### Contingent liabilities - litigation

Please refer to note B11.

#### Contingent assets

There were no contingent assets as at 31 December 2011.

### A14. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2011 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 2011 vs YTD Q4 2010)

The Group operates only in one business segment. Accordingly, detailed analysis of the performance of each business segment is not presented.

For the current quarter ended 31 December 2011, the Group recorded revenue of RM485.1 million with profit before tax of RM52.2 million as compared with revenue of RM385.5 million with profit before tax of RM34.1 million in the preceding quarter ended 31 December 2010. The increase was mainly due to increase in sales from crane segment which due to global recovery in investment in equipment and good execution of several high margin projects.

### B2. COMPARISON WITH PRECEDING QUARTER RESULT (2011 Q4 vs 2011 Q3)

The Group recorded a profit before tax of RM23.3 million for the current quarter as compared to the profit before tax of RM15.6 million in the preceding quarter. The increase was contributed by improvement in sales from crane segment which due to global recovery in investment in equipment and good execution of several high margin projects.

### B3. GROUP'S CURRENT YEAR PROSPECT

As at 16 February 2012, outstanding order book of the group is RM657.7 million of which majority is from the 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 while the outlook remains challenging, we foresee oil and gas investment to continue at current level and construction industry to continue face a slow recovery.

### 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. OPERATING PROFIT**

Current Quarter 31.12.2011 RM'000	Cumulative Qtr To-date 31.12.2011 RM'000
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**Operating profit is arrived at after (crediting)/charging the following:**

Depreciation and amortization	6,327	18,265
Provision for and write off of receivables	6,046	6,046
Provision for and write off of inventories	-	831
Foreign exchange (gain)/loss	(2,399)	(8,986)
(Gain)/loss on derivatives	(4,621)	(2,987)

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and exceptional items for the current quarter and financial year ended 31 December 2011.

**B6. TAX EXPENSE**

Current Quarter 31.12.2011 RM'000	Cumulative Qtr To-date 31.12.2011 RM'000
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**Current tax expense**

Malaysian Tax	-	(2,169)
Overseas	(3,096)	(1,815)
	(3,096)	(3,984)

**Deferred taxation expense**

Malaysian Tax	-	(619)
Overseas	-	-
	-	(619)

**Total tax expense**

	<b>(3,096)</b>	<b>(4,603)</b>
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The effective tax rate of the Group for the year ended 31 December 2011 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.

**B7. 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.

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

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

		Foreign currency		RM'000
		Currency	Amount	
a)	Short term borrowings			
	Secured	RM	2,112	2,112
		DKK	-	-
		USD		
		Sub-total		2,112
	Unsecured	RM	40,374	40,374
		AUD	801	2,568
		SGD		
		USD		
		Sub-total		42,942
b)	Hire purchase and finance lease	DKK	345	192
		Sub-total		192
	<b>Total short term borrowings</b>			<b>45,246</b>
a)	Long term borrowings			
	Secured	RM	5,795	5,795
		Sub-total		5,795
b)	Hire purchase and finance lease	DKK	648	360
		Sub-total		360
	<b>Total long term borrowings</b>			<b>6,155</b>
	<b>Total borrowings</b>			<b>51,401</b>

**B9. CHANGES IN MATERIAL LITIGATION**

There are no material litigations that have material effect to the Group as at 16 February 2012 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.

**B10. PROPOSED DIVIDENDS**

The directors recommend a first and final tax exempt dividend of 6 sen per share subject to approval of the shareholders at the forthcoming Annual General Meeting. The payable final dividend is amounted to RM10.749 million.

The first and final dividend for 2011 is computed based on the issued and paid up share capital (excluding treasury share) of 179,157,020 ordinary shares of RM0.50 each as at 31 December 2011.

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

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

**B11. 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 31.12.2011	Cumulative Qtr To-date 31.12.2011
Net profit attributable to the shareholders of the Company (RM'000)	20,219	47,604
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	179,157	178,378
Basic EPS (Sen)	11.29	26.69

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 31.12.2011	Cumulative Qtr To-date 31.12.2011
Net profit attributable to the shareholders of the Company (RM'000)	20,219	47,604
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	179,157	178,378
Effect of dilution ('000)	3,466	3,466
Adjusted weighted average number of ordinary shares in issue and issuable (based on ordinary share of RM0.50 each) ('000)	182,623	181,844
Diluted EPS (Sen)	11.07	26.18

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

**B12. REALISED AND UNREALISED PROFIT/LOSSES**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits / (accumulated losses) of Favelle Favco Berhad and its subsidiaries:		
- Realised	58,584	40,983
- Unrealised	14,755	(4,191)
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	(843)	(473)
- Unrealised	-	(2)
	72,496	36,317
Less: Consolidation adjustments	51,575	48,579
Total group retained profits / (accumulated losses) as per consolidated accounts	124,071	84,896

**B13. COMPARATIVE FIGURES**

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

**B14. 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 21 February 2012.

**Date: 22 February 2012**