

**FAVELLE FAVCO BHD**

Registration No.:199201017739 (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024**

	Unaudited As at 30.9.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>Assets</b>		
Property, plant and equipment	505,011	543,719
Intangible assets	75,283	75,283
Investment in associates	2,577	3,857
Deferred tax assets	28,165	28,753
Long-term funds	3,195	8,153
Receivables	6,183	6,885
<b>Total non-current assets</b>	<b>620,414</b>	<b>666,650</b>
Receivables, deposits and prepayments	203,497	235,803
Contract assets	177,773	151,245
Inventories	252,807	229,836
Current tax assets	1,688	2,313
Derivative assets	1,550	499
Cash and cash equivalents	122,759	164,861
<b>Total current assets</b>	<b>760,074</b>	<b>784,557</b>
<b>Total assets</b>	<b>1,380,488</b>	<b>1,451,207</b>
<b>Equity</b>		
Share capital	198,276	195,072
Reserves	543,242	569,718
<b>Total equity attributable to owners of the Company</b>	<b>741,518</b>	<b>764,790</b>
<b>Non-controlling interests</b>	<b>30,238</b>	<b>22,859</b>
<b>Total equity</b>	<b>771,756</b>	<b>787,649</b>
<b>Liabilities</b>		
Loans and borrowings	6,207	7,509
Hire Purchase and lease liabilities	16,039	19,225
Deferred tax liabilities	61,576	63,592
<b>Total non-current liabilities</b>	<b>83,822</b>	<b>90,326</b>
Provisions for warranties	30,826	34,583
Payables and accruals	210,742	298,388
Contract liabilities	193,883	162,596
Loans and borrowings	78,024	60,509
Hire Purchase and lease liabilities	5,814	9,286
Current tax liabilities	5,621	7,870
Derivative liabilities	-	-
<b>Total current liabilities</b>	<b>524,910</b>	<b>573,232</b>
<b>Total liabilities</b>	<b>608,732</b>	<b>663,558</b>
<b>Total equity and liabilities</b>	<b>1,380,488</b>	<b>1,451,207</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.15</b>	<b>3.27</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (3RD QUARTER)****(The figures have not been audited)**

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
<b>Revenue</b>	A9	189,880	150,035	569,381	459,352
Cost of sales, other income and operating expenses		(187,288)	(129,545)	(532,309)	(405,154)
<b>Results from operating activities</b>		2,592	20,490	37,072	54,198
Finance income		1,075	1,104	2,855	2,847
Finance costs		(677)	(1,254)	(3,072)	(3,936)
<b>Operating profit</b>	B5	2,990	20,340	36,855	53,109
Share of profit/(loss) of associates, net of tax		(315)	(391)	(1,280)	781
<b>Profit before tax</b>		2,675	19,949	35,575	53,890
Tax expense	B6	(7,412)	(5,215)	(17,658)	(13,985)
<b>Profit for the period</b>		(4,737)	14,734	17,917	39,905
<b>Other comprehensive (expenses)/ income, net of tax</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(16,434)	(3,142)	(16,317)	6,847
<b>Other comprehensive income for the period, net of tax</b>		(16,434)	(3,142)	(16,317)	6,847
<b>Total comprehensive income for the period</b>		(21,171)	11,592	1,600	46,752
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		(7,577)	12,102	10,980	34,395
Non-controlling interests		2,840	2,632	6,937	5,510
<b>Profit for the period</b>		(4,737)	14,734	17,917	39,905
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(24,481)	8,967	(5,779)	41,306
Non-controlling interests		3,310	2,625	7,379	5,446
<b>Total comprehensive income for the period</b>		(21,171)	11,592	1,600	46,752
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	(3.22)	5.18	4.69	14.73
Diluted (Sen)	B11	(3.17)	5.10	4.61	14.48

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (3RD 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			
<b>9 months ended 30 September 2024</b>									
<b>As at 1 January 2024</b>	195,072	19,874	122,716	3,869	(3,006)	426,265	764,790	22,859	787,649
Profit/(loss) for the period	-	-	-	-	-	10,980	10,980	6,937	17,917
Foreign currency translation	-	(16,759)	-	-	-	-	(16,759)	442	(16,317)
Total comprehensive income for the period	-	(16,759)	-	-	-	10,980	(5,779)	7,379	1,600
Contribution by and distribution to owners of the Company									
- Transfer to share capital for share options exercised	893	-	-	(893)	-	-	-	-	-
- Share-based payments	-	-	-	1,364	-	-	1,364	-	1,364
- Issue of ordinary shares	2,311	-	-	-	-	-	2,311	-	2,311
- Dividends to shareholders	-	-	-	-	-	(21,168)	(21,168)	-	(21,168)
<b>As at 30 September 2024</b>	<b>198,276</b>	<b>3,115</b>	<b>122,716</b>	<b>4,340</b>	<b>(3,006)</b>	<b>416,077</b>	<b>741,518</b>	<b>30,238</b>	<b>771,756</b>
<b>9 months ended 30 September 2023</b>									
<b>As at 1 January 2023</b>	194,988	8,923	122,716	850	(3,006)	385,054	709,525	23,342	732,867
Profit for the period	-	-	-	-	-	34,395	34,395	5,510	39,905
Foreign currency translation	-	6,911	-	-	-	-	6,911	(64)	6,847
Total comprehensive income for the period	-	6,911	-	-	-	34,395	41,306	5,446	46,752
Contribution by and distribution to owners of the Company									
- Share-based payments	-	-	-	2,282	-	-	2,282	-	2,282
- Dividends to non-controlling interests	-	-	-	-	-	-	-	(3,474)	(3,474)
- Dividends to shareholders	-	-	-	-	-	(9,343)	(9,343)	-	(9,343)
<b>As at 30 September 2023</b>	<b>194,988</b>	<b>15,834</b>	<b>122,716</b>	<b>3,132</b>	<b>(3,006)</b>	<b>410,106</b>	<b>743,770</b>	<b>25,314</b>	<b>769,084</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (3RD QUARTER)  
(The figures have not been audited)**

	Unaudited Period ended 30.9.2024 RM'000	Unaudited Period ended 30.9.2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	35,575	53,890
Adjustments for:		
Amortisation of intangible assets	-	5
Allowance for impairment losses	5,830	829
Amortisation of right-of-use assets	5,148	6,095
Capital (gain)/Loss on short-term funds	(384)	(526)
Depreciation of property, plant and equipment	23,787	25,525
Finance costs	3,072	3,936
Finance income	(2,855)	(2,847)
(Gain)/Loss on disposal of property, plant and equipment	(1,477)	(120)
(Gain)/loss on foreign exchange	24,776	(11,754)
(Gain)/loss on derivatives	(1,051)	3,155
Property, plant and equipment written off	802	4
Provision for warranties	1,460	2,942
Reversal of impairment losses	(4,025)	(2,249)
Reversal of provision for warranties	(2,683)	(1,443)
Share-based payments	471	2,282
Share of loss/(profit) of equity accounted associates	1,280	(781)
Write-back of Inventories	(482)	(1,305)
Writedown of inventories	45	-
Operating profit/(loss) before changes in working capital	89,289	77,638
Changes in working capital:		
Inventories	(22,535)	(23,778)
Payables and accruals	(56,359)	(53)
Receivables, deposits and prepayments	(18,427)	46,699
Cash generated from/(used in) operations	(8,032)	100,506
Interest received	2,844	2,788
Interest paid	(3,207)	(3,865)
Income tax paid	(19,921)	(13,055)
Warranties paid	(61)	(429)
<b>Net cash generated from/(used in) operating activities</b>	<b>(28,377)</b>	<b>85,945</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(12,982)	(3,205)
Capital gain on short-term funds	384	526
Long-term funds	4,959	(197)
Proceeds from disposal of property, plant and equipment	5,062	120
<b>Net cash generated from/(used in) investing activities</b>	<b>(2,577)</b>	<b>(2,756)</b>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (3RD QUARTER)  
(cont'd)**

	Unaudited Period ended 30.9.2024 RM'000	Unaudited Period ended 30.9.2023 RM'000
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders of the Company	(21,168)	(9,343)
Dividend paid to non-controlling interests	-	(3,474)
Net proceeds/(repayment) of loans and borrowings	9,516	(31,547)
Proceeds from issue of shares under SIS scheme	3,204	-
<b>Net cash generated from/(used in) financing activities</b>	<b>(8,448)</b>	<b>(44,364)</b>
<b>Exchange differences on translation of the financial statements of foreign operations</b>	<b>(769)</b>	<b>(1,206)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(40,171)</b>	<b>37,619</b>
<b>Cash and cash equivalents at 1 January</b>	<b>164,861</b>	<b>99,120</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(1,931)</b>	<b>1,151</b>
<b>Cash and cash equivalents at 30 September</b>	<b>122,759</b>	<b>137,890</b>

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

	30.9.2024 RM'000	30.9.2023 RM'000
Cash and bank balances	64,097	75,585
Short Term Investment	16,580	25,997
Deposit placed with licensed banks	42,082	36,308
Cash and cash equivalents per balance sheet	122,759	137,890
Bank overdrafts	-	-
	<b>122,759</b>	<b>137,890</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP  
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (3RD 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 2023. 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 2023.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 and for the adoption of the Amendments and Annual Improvements to Standards effective from 1 January 2024:

<u>MFRSs and/or IC Interpretations</u> <u>(Including the Consequential Amendments)</u>	<u>Effective date</u>
• Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
• Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

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:

<u>MFRSs and IC Interpretations</u> <u>(Including the Consequential Amendments, if any)</u>	<u>Effective Date</u>
• Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
• 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 2023 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 September 2024, a total of 962,000 new ordinary shares were issued at RM1.45 each, pursuant to the exercise of SIS granted in 2022.

**A8. DIVIDENDS PAID**

A first & final tax-exempt dividend of 9 sen per ordinary share totalling RM21.2 million in respect of the year ended 31 December 2023 was paid on 22 August 2024.

**A9. SEGMENT REVENUE AND RESULTS**

Financial data by business segment for the Group:

	Cranes RM'000	Intelligent Automation RM'000	Consolidated RM'000
<b>Revenue</b>			
Inside Malaysia	198,211	154,990	353,201
Outside Malaysia	216,180	-	216,180
	<u>414,391</u>	<u>154,990</u>	<u>569,381</u>
<b>Profit before tax</b>	4,829	30,746	35,575
Segment assets	1,189,626	188,285	1,377,911
Investments in associates	2,577	-	2,577
<b>Total assets</b>	<u>1,192,203</u>	<u>188,285</u>	<u>1,380,488</u>
<b>Segments liabilities</b>	<u>536,805</u>	<u>71,927</u>	<u>608,732</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 16 November 2024, 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 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 16 November 2024 is approximately RM6.57 million.

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

**B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q3 2024 vs YTD Q3 2023)**

The Group reported consolidated revenue of RM569.4 million with profit before tax of RM35.6 million as compared to revenue of RM459.4 million with profit before tax of RM53.9 million in the previous financial period ended 30 September 2023.

The decrease in the group's profit before tax was mainly due to foreign exchange losses caused by the rapid strengthening of MYR especially during September 2024, with the exchange rate moving from 4.590 to 4.122. However, the bulk of this foreign exchange loss remains unrealised as the foreign currencies have not yet been converted into Ringgit. As of 18 November 2024, the BNM USD exchange rate stand at 4.482.

**B2. COMPARISON WITH PRECEDING QUARTER RESULT (2024 Q3 vs 2024 Q2)**

The Group recorded a revenue of RM189.9 million with profit before tax of RM2.7 million for the current quarter as compared to the revenue of RM203.1 million with profit before tax of RM13.9 million in the preceding quarter, the decrease in group profit was mainly due to foreign exchange losses caused by the rapid strengthening of MYR especially during September 2024, with the exchange rate moving from 4.720 to 4.122. However, the bulk of this foreign exchange loss remains unrealised as the foreign currencies have not yet been converted into Ringgit. As of 18 November 2024, the BNM USD exchange rate stand at 4.482.

**B3. GROUP'S CURRENT YEAR PROSPECT**

Despite the challenging outlook in the current market, the Group has outstanding order book of approximately RM623 million (including order book of Intelligent Automation of RM129 million) as at 16 November 2024 from the global oil and gas, shipyard, construction, wind turbine industries and intelligent automation.

Oil prices are expected to remain within the stable range, supporting stable investment levels. With rising construction activity in the Middle Eastern countries, shipyards modernization and expansion including replacing aging equipment. The group is hopeful for an increase in orders 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	Cumulative Qtr To-date
30.9.2024	30.9.2024
RM'000	RM'000

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

Depreciation and amortization	7,781	23,787
Allowance for impairment loss/(gain)	(1,178)	1,805
Allowance for slow moving inventories	(601)	45
Foreign exchange (gain)/loss	27,396	24,776
(Gain)/loss on derivatives	(1,766)	(1,051)
(Gain)/loss on disposal of property, plant and equipment	108	(1,477)
Other Income	597	(2,893)
Finance costs	677	3,072
Interest income	(1,075)	(2,855)

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

**B6. TAXATION**

	Current Quarter 30.9.2024 RM'000	Cumulative Qtr To-date 30.9.2024 RM'000
<b>Current tax expense</b>		
Malaysian Tax	(4,123)	(13,124)
Overseas	(2,904)	(5,174)
	(7,027)	(18,298)
<b>Deferred taxation expense</b>		
Malaysian Tax	(434)	967
Overseas	49	(327)
	(385)	640
<b>Total tax expense</b>	<b>(7,412)</b>	<b>(17,658)</b>

The effective tax rate of the Group for the period ended 30 September 2024 is higher than the local statutory tax rate mainly due to certain expenses were not deductible for tax purpose and additional balancing charge due to disposal of fixed assets.

**B7. CORPORATE PROPOSAL**

The Group has no outstanding corporate proposals for the quarter under review.

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

	Foreign currency		RM'000
	Currency	Amount	
a) Short term borrowings			
- Secured	RM	596	596
	DKK	2,165	1,335
	Sub-total		1,931
- Unsecured	RM	75,057	75,057
	AUD	363	1,036
<b>Total short term borrowings</b>			<b>78,024</b>
b) Long term borrowings			
- Secured	RM	6,207	6,207
<b>Total long term borrowings</b>			<b>6,207</b>
<b>Total borrowings</b>			<b>84,231</b>

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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 is no ongoing litigation that may have any material impact on the financial position of the Group.

**B10. PROPOSED DIVIDENDS**

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 30.9.2024	Cumulative 30.9.2024	Current 30.9.2024	Cumulative 30.9.2024
Net profit attributable to the owners of the Company (RM'000)	(7,577)	10,980	(7,577)	10,980
Weighted average number of ordinary shares in issue ('000)	235,004	234,230	235,004	234,230
Effect of dilution: Share options ('000)	-	-	3,995	3,995
Adjusted weighted average number of ordinary shares in issue and issuales ('000)	235,004	234,230	238,999	238,225
EPS (Sen)	(3.22)	4.69	(3.17)	4.61

**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: 22 November 2024**