

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2012**

	Unaudited As at 31.3.2012 RM'000	Audited As at 31.12.2011 RM'000
<b>Assets</b>		
Property, plant and equipment	102,344	105,113
Intangible assets	5,785	6,347
Investment in associates	5,467	5,732
Deferred tax assets	2,368	2,368
<b>Total non-current assets</b>	<b>115,964</b>	<b>119,560</b>
Receivables, deposits and prepayments	156,208	138,938
Contract work-in-progress	138,562	120,052
Inventories	201,418	183,823
Current tax assets	67	307
Derivative assets	2,872	2,987
Cash and cash equivalents	143,001	114,896
<b>Total current assets</b>	<b>642,128</b>	<b>561,003</b>
<b>Total assets</b>	<b>758,092</b>	<b>680,563</b>
<b>Equity</b>		
Share capital	89,584	89,584
Reserves	157,469	147,398
<b>Total equity attributable to owners of the Company</b>	<b>247,053</b>	<b>236,982</b>
<b>Non-controlling interests</b>	<b>3,467</b>	<b>3,556</b>
<b>Total equity</b>	<b>250,520</b>	<b>240,538</b>
<b>Liabilities</b>		
Loans and borrowings	5,421	5,999
Deferred tax liabilities	5,368	5,412
<b>Total non-current liabilities</b>	<b>10,789</b>	<b>11,411</b>
Provisions	6,685	6,536
Payables and accruals	227,834	219,838
Amount due to contract customers	197,948	154,842
Loans and borrowings	62,305	45,247
Current tax liabilities	2,011	2,151
<b>Total current liabilities</b>	<b>496,783</b>	<b>428,614</b>
<b>Total liabilities</b>	<b>507,572</b>	<b>440,025</b>
<b>Total equity and liabilities</b>	<b>758,092</b>	<b>680,563</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.38</b>	<b>1.32</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 2011 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 PERIOD ENDED 31 MARCH 2012 (1ST QUARTER)**

(The figures have not been audited)

		Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	Note	31.3.2012	31.3.2011	31.3.2012	31.3.2011
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A9	129,101	85,181	129,101	85,181
Cost of sales		(106,172)	(70,421)	(106,172)	(70,421)
<b>Gross profit</b>		22,929	14,760	22,929	14,760
Other income		702	1,648	702	1,648
Distribution expenses		(2,086)	(1,874)	(2,086)	(1,874)
Administrative expenses		(9,955)	(9,779)	(9,955)	(9,779)
Other expenses		-	(351)	-	(351)
<b>Results from operating activities</b>		11,590	4,404	11,590	4,404
Finance income		278	619	278	619
Finance costs		(606)	(582)	(606)	(582)
<b>Operating profit</b>	B5	11,262	4,441	11,262	4,441
Share of profit/(loss) of associates, net of tax		(265)	(258)	(265)	(258)
<b>Profit before tax</b>		10,997	4,183	10,997	4,183
Tax expense	B6	(733)	(316)	(733)	(316)
<b>Profit for the period</b>		10,264	3,867	10,264	3,867
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		(755)	1,240	(755)	1,240
<b>Other comprehensive income for the period, net of tax</b>		(755)	1,240	(755)	1,240
<b>Total comprehensive income for the period</b>		9,509	5,107	9,509	5,107
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		10,282	3,867	10,282	3,867
Non-controlling interests		(18)	N/A	(18)	N/A
<b>Profit for the period</b>		10,264	3,867	10,264	3,867
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		9,598	5,107	9,598	5,107
Non-controlling interests		(89)	N/A	(89)	N/A
<b>Total comprehensive income for the period</b>		9,509	5,107	9,509	5,107
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	5.74	2.18	5.74	2.18
Diluted (Sen)	B11	5.61	2.17	5.61	2.17

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2012 (1ST QUARTER)**

(The figures have not been audited)

	←←←← Attributable to owners of the Company →→→→						→	Total attributable to owners of the Company	Non- controlling Interests	Total Equity
	←←←← Non-Distributable			→→→→ Distributable						
	Share Capital RM'000	Share Premium RM'000	Translation Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	RM'000	RM'000	RM'000
<b>3 months period ended 31 March 2012</b>										
<b>As at 1 January 2012</b>										
as previously stated	89,584	3,356	8,111	11,325	554	(21)	124,073	236,982	3,556	240,538
effect of adoption of MFRS	-	-	(7,238)	-	-	-	7,238	-	-	-
<b>As at 1 January 2012, restated</b>	<b>89,584</b>	<b>3,356</b>	<b>873</b>	<b>11,325</b>	<b>554</b>	<b>(21)</b>	<b>131,311</b>	<b>236,982</b>	<b>3,556</b>	<b>240,538</b>
Profit for the period	-	-	-	-	-	-	10,282	10,282	(18)	10,264
Foreign currency translation	-	-	(684)	-	-	-	-	(684)	(71)	(755)
Total comprehensive income for the period	-	-	(684)	-	-	-	10,282	9,598	(89)	9,509
Share-based payments	-	-	-	-	473	-	-	473	-	473
<b>As at 31 March 2012</b>	<b>89,584</b>	<b>3,356</b>	<b>189</b>	<b>11,325</b>	<b>1,027</b>	<b>(21)</b>	<b>141,593</b>	<b>247,053</b>	<b>3,467</b>	<b>250,520</b>
<b>3 months period ended 31 March 2011</b>										
<b>As at 1 January 2011</b>										
as previously stated	88,568	2,625	7,238	11,325	977	(21)	84,896	195,608	-	195,608
effect of adoption of MFRS	-	-	(7,238)	-	-	-	7,238	-	-	-
<b>As at 1 January 2011, as restated</b>	<b>88,568</b>	<b>2,625</b>	<b>-</b>	<b>11,325</b>	<b>977</b>	<b>(21)</b>	<b>92,134</b>	<b>195,608</b>	<b>-</b>	<b>195,608</b>
Profit for the period	-	-	-	-	-	-	3,867	3,867	-	3,867
Foreign currency translation	-	-	1,240	-	-	-	-	1,240	-	1,240
Total comprehensive income for the period	-	-	1,240	-	-	-	3,867	5,107	-	5,107
Share options exercised	125	38	-	-	-	-	-	163	-	163
Transfer to share premium for share options exercised	-	56	-	-	(56)	-	-	-	-	-
<b>As at 31 March 2011, as restated</b>	<b>88,693</b>	<b>2,719</b>	<b>1,240</b>	<b>11,325</b>	<b>921</b>	<b>(21)</b>	<b>96,001</b>	<b>200,878</b>	<b>-</b>	<b>200,878</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 2011 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 MARCH 2012 (1ST QUARTER)****(The figures have not been audited)**

	Current Year To date 31.3.2012 RM'000	Preceding Year To date 31.3.2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,997	4,183
Adjustments for:		
Impairment loss on receivables	-	1,899
Impairment loss on receivables written back	(946)	(2,132)
Allowance for slow moving inventories	1,281	1,852
Amortisation of intangible assets	518	442
Depreciation of property, plant and equipment	2,758	2,657
Loss/(Gain) on disposal of property, plant and equipment		(106)
Finance costs	606	582
Provision for warranties	483	176
Interest income	(278)	(619)
Property, plant and equipment written off	104	2,184
Intangible assets written off		-
Unrealised loss/(gain) on foreign exchange	99	(1,538)
Share-based payments	473	-
Share of loss/(profit) of equity accounted associates	265	258
Reversal of provision for warranties	(120)	(43)
Operating profit/(loss) before changes in working capital changes	16,240	9,795
Changes in working capital:		
Development costs	-	(22)
Inventories	(18,902)	3,410
Payables and accruals	69,852	30,005
Receivables, deposits and prepayments	(36,204)	(10,579)
Cash generated from operations	30,986	32,609
Interest received	278	292
Interest paid	(406)	(405)
Provisions paid	(165)	(13)
Taxes paid	(626)	(262)
<b>Net cash generated from/(used in) operating activities</b>	<b>30,067</b>	<b>32,221</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,143)	(6,721)
Acquisition of an associate	-	(605)
Acquisition of a subsidiary, net cash inflow	-	-
Proceeds from disposal of property, plant and equipment	613	978
<b>Net cash generated from/(used in) investing activities</b>	<b>(530)</b>	<b>(6,348)</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012 (1ST QUARTER)**

(cont'd)

	Current Year To date 31.3.2012 RM'000	Preceding Year To date 31.3.2011 RM'000
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders of the Company	-	-
Interest paid	(165)	(177)
Proceeds from issue of shares under ESOS scheme	-	163
Net proceeds from/(repayment of) revolving credit	(282)	(188)
Payment of finance lease liabilities	(52)	(233)
Repayment of term loans	(1,923)	(1,888)
<b>Net cash generated from/(used in) financing activities</b>	<b>(2,422)</b>	<b>(2,323)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27,115</b>	<b>23,550</b>
<b>Cash and cash equivalents at 1 January</b>	<b>114,896</b>	<b>79,691</b>
<b>Currency translation differences</b>	<b>990</b>	<b>(208)</b>
<b>Cash and cash equivalents at 31 March</b>	<b>143,001</b>	<b>103,033</b>

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

	31.3.2012 RM'000	31.3.2011 RM'000
Cash and bank balances	124,275	95,581
Deposit placed with licensed banks	18,726	7,453
Cash and cash equivalents per balance sheet	143,001	103,034
Bank overdrafts	-	(1)
	<b>143,001</b>	<b>103,033</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 PERIOD ENDED 31 MARCH 2012 (1ST 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 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 2011.

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 2011, except for the adoption of new MFRS framework.

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 2011.

**A2. CHANGES IN ACCOUNTING POLICIES**

These interim financial statements for the period ended 31 March 2012, is the first interim financial statements that the Group had prepared in accordance with MFRSs. The audited financial statements for the financial year ended 31 December 2011 were prepared under Financial Reporting Standards ("FRS"). Except for certain differences, the requirements under FRS and MFRS are similar. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS1. The impact of the transition from FRS to MFRS are described below:

Foreign currency translation reserve ("FCTR")

At the date of transition to MFRS, the cumulative foreign currency differences of RM7,238,000 is adjusted to retained earnings. The reconciliation of equity for comparative periods and of equity at date of transition reported under FRS to those reported for periods and at the date of transition under MFRS is as follows:-

Reconciliation of equity as at 1 January 2011

	FRS as at 1.1.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 1.1.2011 RM'000
Equity			
FCTR	7,238	(7,238)	-
Retained earnings	84,896	7,238	92,134

Reconciliation of equity as at 31 March 2011

	FRS as at 31.3.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 31.3.2011 RM'000
Equity			
FCTR	8,478	(7,238)	1,240
Retained earnings	88,763	7,238	96,001

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

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

#### Foreign currency translation reserve ("FCTR") (Cont'd)

##### Reconciliation of equity as at 31 December 2011

	FRS as at 31.12.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 31.12.2011 RM'000
Equity			
FCTR	8,111	(7,238)	873
Retained earnings	124,073	7,238	131,311

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations ("IC Int.") were issued but not yet effective:

	<u>Effective Date</u>
• MFRS 9 Financial Instruments	1 January 2015
• MFRS 10 Consolidated Financial Statements	1 January 2013
• MFRS 11 Joint Arrangements	1 January 2013
• MFRS 12 Disclosure of Interest in Other Entities	1 January 2013
• MFRS 13 Fair Value Measurement	1 January 2013
• MFRS 119 Employee Benefits	1 January 2013
• MFRS 127 Separate Financial Statements	1 January 2013
• MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
• Amendments to MFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
• Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
• Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
• IC Int. 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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

The audited financial statements of the Company for the preceding year ended 31 December 2011 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.

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

**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>45,883</b>	<b>83,218</b>	<b>129,101</b>
<b>Results from operating activities</b>			<b>11,590</b>
Finance income			278
Finance costs			(606)
Share of profit/(loss) of associates, net of tax			(265)
<b>Profit before tax</b>			<b>10,997</b>
Segment assets			752,625
Investments in associates			5,467
<b>Total assets</b>			<b>758,092</b>
<b>Segments liabilities</b>			<b>507,572</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 22 May 2012, 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 MARCH 2012**

**Contingent liabilities - unsecured**

Corporate guarantee for credit facilities granted to subsidiary companies

**RM'000**  
96,931

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 March 2012.

**A14. CAPITAL COMMITMENTS**

There were no material capital commitments as at 31 March 2012 and up to 22 May 2012.



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

### **B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q1 2012 vs YTD Q1 2011)**

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 March 2012, the Group recorded revenue of RM129.1 million with profit before tax of RM11.0 million as compared with revenue of RM85.2 million with profit before tax of RM4.2 million in the preceding quarter ended 31 March 2011. 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 (2012 Q1 vs 2011 Q4)**

The Group recorded a profit before tax of RM11.0 million for the current quarter as compared to the profit before tax of RM23.3 million in the preceding quarter. The decrease was mainly due to lower revenue resulting from shorter operation period.

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

As at 22 May 2012, outstanding order book of the group is RM701.5 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.

### **B5. OPERATING PROFIT**

Current Quarter 31.3.2012 RM'000	Cumulative Qtr To-date 31.3.2012 RM'000
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#### **Operating profit is arrived at after (crediting)/charging the following:**

Depreciation and amortization	3,276	3,276
Provision for and write off of inventories	1,281	1,281
Foreign exchange (gain)/loss	(1,435)	(1,435)
(Gain)/loss on derivatives	(2,872)	(2,872)

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.

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

**B6. TAX EXPENSE**

	Current Quarter 31.3.2012 RM'000	Cumulative Qtr To-date 31.3.2012 RM'000
<b>Current tax expense</b>		
Malaysian Tax	(745)	(745)
Overseas	-	-
	(745)	(745)
<b>Deferred taxation expense</b>		
Malaysian Tax	12	12
Overseas	-	-
	12	12
<b>Total tax expense</b>	<b>(733)</b>	<b>(733)</b>

The effective tax rate of the Group for the period ended 31 March 2012 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.

**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	58,830	58,830	
AUD	369	1,173	
SGD			
USD			
Sub-total			60,003
b) Hire purchase and finance lease			
DKK	345	190	
Sub-total			190
<b>Total short term borrowings</b>			<b>62,305</b>
a) Long term borrowings			
Secured			
RM	5,267	5,267	
Sub-total			5,267
b) Hire purchase and finance lease			
DKK	281	154	
Sub-total			154
<b>Total long term borrowings</b>			<b>5,421</b>
<b>Total borrowings</b>			<b>67,726</b>

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

**B9. CHANGES IN MATERIAL LITIGATION**

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

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

The Company’s subsidiary Favelle Favco Cranes (USA) Inc. (“FFU”) has been named as a defendant in connection with a lawsuit placed by Mr. Robert Pararella (“the Plaintiff”), who is claiming personal injuries resulting from an accident while descending a ladder on a crane. The Plaintiff has alleged claims of general negligence and Labor Law claims. Based on the claim as it is, the management believes FFU cannot be held liable.

The case is currently in its discovery phase and it is too early to determine whether or not the Plaintiff’s claims have any merit .FFU in any event intends to vigorously defend the same.

**B10. PROPOSED DIVIDENDS**

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

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 31.3.2012	Cumulative Qtr To-date 31.3.2012
Net profit attributable to the shareholders of the Company (RM'000)	10,282	10,282
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	179,157	179,157
Basic EPS (Sen)	5.74	5.74

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

**B11. EARNINGS PER ORDINARY SHARE ("EPS") (Cont'd)**

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 31.3.2012	Cumulative Qtr To-date 31.3.2012
Net profit attributable to the shareholders of the Company (RM'000)	10,282	10,282
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	179,157	179,157
Effect of dilution ('000)	4,157	4,157
Adjusted weighted average number of ordinary shares in issue and issuable (based on ordinary share of RM0.50 each) ('000)	183,314	183,314
Diluted EPS (Sen)	5.61	5.61

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

	As at 31.3.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits / (accumulated losses) of Favelle Favco Berhad and its subsidiaries:		
- Realised	101,108	54,854
- Unrealised	2,933	14,497
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	(481)	(868)
- Unrealised	-	-
Less: Consolidation adjustments	103,560 38,033	68,483 55,590
Total group retained profits / (accumulated losses) as per consolidated accounts	141,593	124,073

**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 28 May 2012.

**Date: 28 May 2012**