

FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

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

| | Unaudited As at 31.12.2012 RM'000 | Audited As at 31.12.2011 RM'000 |
|--|--|--|
| Assets | | |
| Property, plant and equipment | 175,004 | 105,113 |
| Intangible assets | 4,896 | 6,347 |
| Investment in associates | 13,285 | 5,732 |
| Deferred tax assets | 2,368 | 2,368 |
| Total non-current assets | 195,553 | 119,560 |
| Receivables, deposits and prepayments | 271,491 | 138,938 |
| Contract work-in-progress | 135,455 | 120,052 |
| Inventories | 186,492 | 183,823 |
| Current tax assets | 2,234 | 307 |
| Derivative assets | 1,185 | 2,987 |
| Cash and cash equivalents | 99,598 | 114,896 |
| Total current assets | 696,455 | 561,003 |
| Total assets | 892,008 | 680,563 |
| Equity | | |
| Share capital | 106,000 | 89,584 |
| Reserves | 235,703 | 147,398 |
| Total equity attributable to owners of the Company | 341,703 | 236,982 |
| Non-controlling interests | 4,501 | 3,556 |
| Total equity | 346,204 | 240,538 |
| Liabilities | | |
| Loans and borrowings | 3,693 | 5,999 |
| Deferred tax liabilities | 6,138 | 5,412 |
| Total non-current liabilities | 9,831 | 11,411 |
| Provisions | 9,627 | 6,536 |
| Payables and accruals | 244,995 | 219,838 |
| Amount due to contract customers | 203,447 | 154,842 |
| Loans and borrowings | 76,364 | 45,247 |
| Current tax liabilities | 1,540 | 2,151 |
| Total current liabilities | 535,973 | 428,614 |
| Total liabilities | 545,804 | 440,025 |
| Total equity and liabilities | 892,008 | 680,563 |
| Net assets per share attributable to owners of the Company (RM) | 1.61 | 1.32 |

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 YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)****(The figures have not been audited)**

| | | Current/Preceding Qtr Ended | | Cumulative Qtr YTD | |
|---|------|-----------------------------|------------|--------------------|------------|
| | Note | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | A9 | 171,372 | 178,952 | 696,472 | 482,353 |
| Cost of sales | | (144,764) | (130,809) | (577,547) | (376,581) |
| Gross profit | | 26,608 | 48,143 | 118,925 | 105,772 |
| Other income | | 673 | 2,461 | 4,144 | 9,282 |
| Distribution expenses | | (3,856) | (3,444) | (9,878) | (9,550) |
| Administrative expenses | | (17,573) | (19,989) | (50,411) | (48,522) |
| Other expenses | | - | 1,054 | - | - |
| Results from operating activities | | 5,852 | 28,225 | 62,780 | 56,982 |
| Finance income | | 6,578 | (182) | 7,832 | 2,092 |
| Finance costs | | (1,398) | (4,559) | (3,360) | (6,199) |
| Operating profit | B5 | 11,032 | 23,484 | 67,252 | 52,875 |
| Share of profit/(loss) of associates, net of tax | | (355) | (183) | (836) | (682) |
| Profit before tax | | 10,677 | 23,301 | 66,416 | 52,193 |
| Tax expense | B6 | 2,666 | (3,094) | (5,261) | (4,601) |
| Profit for the period | | 13,343 | 20,207 | 61,155 | 47,592 |
| Other comprehensive income, net of tax | | | | | |
| Foreign currency translation differences for foreign operations | | 442 | (1,436) | (1,130) | 867 |
| Movement in revaluation of property, plant and equipment, net of tax | | 3,700 | - | 3,700 | - |
| Other comprehensive income for the period, net of tax | | 4,142 | (1,436) | 2,570 | 867 |
| Total comprehensive income for the period | | 17,485 | 18,771 | 63,725 | 48,459 |
| Profit/(loss) attributable to: | | | | | |
| Owners of the Company | | 13,118 | 20,221 | 61,746 | 47,606 |
| Non-controlling interests | | 225 | (14) | (591) | (14) |
| Profit for the period | | 13,343 | 20,207 | 61,155 | 47,592 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 17,396 | 18,791 | 64,525 | 48,479 |
| Non-controlling interests | | 89 | (20) | (800) | (20) |
| Total comprehensive income for the period | | 17,485 | 18,771 | 63,725 | 48,459 |
| Earnings per ordinary share | | | | | |
| Basic (Sen) | B11 | 6.67 | 11.29 | 33.64 | 26.69 |
| Diluted (Sen) | B11 | 6.52 | 11.07 | 32.85 | 26.18 |

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.

FAVELLE FAVCO BHD (249243-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH 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 | 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 | | | |
| 12 months period ended 31 December 2012 | | | | | | | | | | |
| As at 1 January 2012 | | | | | | | | | | |
| 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 | - | - | - |
| As at 1 January 2012, restated | 89,584 | 3,356 | 873 | 11,325 | 554 | (21) | 131,311 | 236,982 | 3,556 | 240,538 |
| Profit/(loss) for the period | - | - | - | - | - | - | 61,746 | 61,746 | (591) | 61,155 |
| Foreign currency translation | - | - | (921) | - | - | - | - | (921) | (209) | (1,130) |
| Movement in revaluation of property, plant and equipment, net of tax | - | - | - | 3,700 | - | - | - | 3,700 | - | 3,700 |
| Total comprehensive income for the period | - | - | (921) | 3,700 | - | - | 61,746 | 64,525 | (800) | 63,725 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | 1,745 | 1,745 |
| Share options exercised | 577 | 347 | - | - | - | - | - | 924 | - | 924 |
| Transfer to share premium for share options exercised | - | 485 | - | - | (485) | - | - | - | - | - |
| Share-based payments | - | - | - | - | 1,930 | - | - | 1,930 | - | 1,930 |
| Issue of ordinary shares | 15,839 | 32,252 | - | - | - | - | - | 48,091 | - | 48,091 |
| Dividends to shareholders | - | - | - | - | - | - | (10,749) | (10,749) | - | (10,749) |
| As at 31 December 2012 | 106,000 | 36,440 | (48) | 15,025 | 1,999 | (21) | 182,308 | 341,703 | 4,501 | 346,204 |
| 12 months period ended 31 December 2011 | | | | | | | | | | |
| As at 1 January 2011 | | | | | | | | | | |
| 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 | - | - | - |
| As at 1 January 2011, as restated | 88,568 | 2,625 | - | 11,325 | 977 | (21) | 92,134 | 195,608 | - | 195,608 |
| Profit for the period | - | - | - | - | - | - | 47,606 | 47,606 | (14) | 47,592 |
| Foreign currency translation | - | - | 873 | - | - | - | - | 873 | (6) | 867 |
| Total comprehensive income for the period | - | - | 873 | - | - | - | 47,606 | 48,479 | (20) | 48,459 |
| 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 |
| Dividends to shareholders | - | - | - | - | - | - | (8,957) | (8,957) | - | (8,957) |
| As at 31 December 2011, as restated | 89,584 | 3,356 | 873 | 11,325 | 554 | (21) | 131,311 | 236,982 | 3,556 | 240,538 |

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 YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)
(The figures have not been audited)**

| | Current Year To date 31.12.2012 RM'000 | Preceding Year To date 31.12.2011 RM'000 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 66,416 | 52,193 |
| Adjustments for: | | |
| Impairment loss on receivables | 3,296 | 2,133 |
| Impairment loss on receivables written back | (2,197) | (1,519) |
| Allowance for slow moving inventories | 733 | 1,281 |
| Amortisation of intangible assets | 2,220 | 1,357 |
| Depreciation of property, plant and equipment | 12,503 | 13,449 |
| Loss/(Gain) on disposal of property, plant and equipment | (118) | (142) |
| Finance costs | 3,360 | 6,199 |
| Provision for warranties | 6,266 | 3,416 |
| Interest income | (7,832) | (2,092) |
| Property, plant and equipment written off | 140 | 50 |
| Intangible assets written off | - | 6,046 |
| Unrealised loss/(gain) on foreign exchange | 1,456 | (6,807) |
| Share-based payments | 1,930 | 554 |
| Share of loss/(profit) of equity accounted associates | 836 | 682 |
| Reversal of provision for warranties | (2,001) | (2,420) |
| Operating profit/(loss) before changes in working capital changes | 87,008 | 74,380 |
| Changes in working capital: | | |
| Development costs | (806) | (5,086) |
| Inventories | (3,376) | (45,248) |
| Payables and accruals | 103,061 | 50,196 |
| Receivables, deposits and prepayments | (143,203) | (7,095) |
| Cash generated from operations | 42,684 | 67,147 |
| Interest received | 7,832 | 1,158 |
| Interest paid | (1,868) | (1,331) |
| Provisions paid | (1,124) | (56) |
| Taxes (paid)/refund | (7,084) | (3,783) |
| Net cash generated from/(used in) operating activities | 40,440 | 63,135 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (33,130) | (23,780) |
| Acquisition of a subsidiary, net cash inflow | 1,745 | 3,576 |
| Acquisition of an associate | (8,389) | (98) |
| Proceeds from disposal of property, plant and equipment | 1,754 | 4,021 |
| Net cash generated from/(used in) investing activities | (38,020) | (16,281) |

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (4TH QUARTER)
(cont'd)**

| | Current Year To date 31.12.2012 RM'000 | Preceding Year To date 31.12.2011 RM'000 |
|---|--|--|
| Cash flows from financing activities | | |
| Dividend paid to shareholders of the Company | (10,749) | (8,957) |
| Interest paid | (633) | (711) |
| Proceeds from issue of shares under ESOS scheme | 924 | 1,298 |
| Net proceeds from/(repayment of) revolving credit | (300) | 216 |
| Payment of finance lease liabilities | (198) | (386) |
| Repayment of term loans | (1,922) | (2,695) |
| Net cash generated from/(used in) financing activities | <u>(12,878)</u> | <u>(11,235)</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>(10,458)</u> | <u>35,619</u> |
| Cash and cash equivalents at 1 January | 114,896 | 79,691 |
| Currency translation differences | (6,773) | (414) |
| Cash and cash equivalents at 31 March | <u>97,665</u> | <u>114,896</u> |

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

| | 31.12.2012 RM'000 | 31.12.2011 RM'000 |
|---|----------------------|----------------------|
| Cash and bank balances | 80,275 | 107,725 |
| Deposit placed with licensed banks | 19,323 | 7,171 |
| Cash and cash equivalents per balance sheet | <u>99,598</u> | <u>114,896</u> |
| Bank overdrafts | <u>(1,933)</u> | <u>-</u> |
| | <u>97,665</u> | <u>114,896</u> |

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 YEAR ENDED 31 DECEMBER 2012 (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 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 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 |

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

A2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

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 except for the following:-

a) Issue of ordinary shares

On 5 November 2012, the shareholders of the Company via Extraordinary General Meeting approved the issuance of 31,678,743 new ordinary shares of RM0.50 each in FFB ("FFB Shares") at an issue price of RM1.5181 per FFB Share to Muhibbah Engineering (M) Bhd ("MEB") for the acquisition of a crane fabrication yard comprising freehold industrial land, buildings and improvements, located at No. 28 Yarrunga Street, Prestons, New South Wales, 2170 Australia with a total land area measuring approximately 11.6 acres from MEB for a total purchase consideration of AUD15,000,000 (equivalent to RM48,091,500).

On 19 November 2012, a total of 31,678,743 FFB Shares were credited to MEB.

b) Employees' Share Option Scheme ("ESOS")

During the current quarter ended 31 December 2012, a total of 1,155,000 new ordinary shares of RM0.50 each were issued at RM0.80 each, pursuant to the exercise of ESOS granted in 2011.

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

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 |
|---|------------------------------|-------------------------------|-----------------------------|
| GEOGRAPHICAL SEGMENTS | | | |
| Revenue | 302,561 | 393,911 | 696,472 |
| Results from operating activities | | | 62,780 |
| Finance income | | | 7,832 |
| Finance costs | | | (3,360) |
| Share of profit/(loss) of associates, net of tax | | | (836) |
| Profit before tax | | | 66,416 |
| Segment assets | | | 878,723 |
| Investments in associates | | | 13,285 |
| Total assets | | | 892,008 |
| Segments liabilities | | | 545,804 |

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying value of freehold lands on 31 December 2012 was based on fair value determined from market-based evidenced by independent appraisals. With this, the carrying value of freehold lands have been revalued upwards by approximately RM3.7 million.

Except for the above, all property, plant and equipment of the Group and the Company are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

A11. MATERIAL SUBSEQUENT EVENT

There were no material subsequent event from the end of the quarter to 20 February 2013, which is likely to substantially affect the results of the operations of the Company.

A12. CHANGES IN THE GROUP'S COMPOSITION

There were no change in the Group's composition in the current quarter under review.

A13. CONTINGENT LIABILITIES/ASSETS AS AT 31 DECEMBER 2012

Contingent liabilities - unsecured

| | |
|---|---------------------------------|
| Corporate guarantee for credit facilities granted to subsidiary companies | RM'000 107,529 |
|---|---------------------------------|

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.

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

A13. CONTINGENT LIABILITIES/ASSETS AS AT 31 DECEMBER 2012 (Cont'd)

Contingent assets

There were no contingent assets as at 31 December 2012.

A14. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2012 and up to 20 February 2013.

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

B1. REVIEW OF THE GROUP PERFORMANCE (YTD Q4 2012 vs YTD Q4 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 December 2012, the Group recorded revenue of RM696.5 million with profit before tax of RM66.4 million as compared with revenue of RM482.4 million with profit before tax of RM52.2 million in the preceding quarter ended 31 December 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 Q4 vs 2012 Q3)

The Group recorded a profit before tax of RM10.7 million for the current quarter as compared to the profit before tax of RM25.1 million in the preceding quarter. The decrease in profit before tax is mainly contributed by recognise of costs incurred.

B3. GROUP'S CURRENT YEAR PROSPECT

As at 20 February 2013, outstanding order book of the group is RM633.7 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 facing 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 31.12.2012 RM'000 | Cumulative Qtr To-date 31.12.2012 RM'000 |
|--|---|
|--|---|

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

| | | |
|--|---------|---------|
| Depreciation and amortization | 7,943 | 14,723 |
| Provision for and write off of receivables | 3,296 | 3,296 |
| Provision for and write off of inventories | 733 | 733 |
| Foreign exchange (gain)/loss | 2,586 | (3,202) |
| (Gain)/loss on derivatives | (5,257) | (1,185) |

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 31.12.2012 RM'000 | Cumulative Qtr To-date 31.12.2012 RM'000 |
|----------------------------------|--|---|
| Current tax expense | | |
| Malaysian Tax | 5,306 | (1,982) |
| Overseas | (2,548) | (2,548) |
| | 2,758 | (4,530) |
| Deferred taxation expense | | |
| Malaysian Tax | (92) | (731) |
| Overseas | - | - |
| | (92) | (731) |
| Total tax expense | 2,666 | (5,261) |

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 | 69,373 | 69,373 |
| | AUD | 866 | 2,759 |
| | SGD | 772 | 1,933 |
| | USD | | |
| | Sub-total | | 74,065 |
| b) Hire purchase and finance lease | DKK | 345 | 187 |
| | Sub-total | | 187 |
| Total short term borrowings | | | 76,364 |
| a) Long term borrowings | | | |
| Secured | RM | 3,683 | 3,683 |
| | Sub-total | | 3,683 |
| b) Hire purchase and finance lease | DKK | 18 | 10 |
| | Sub-total | | 10 |
| Total long term borrowings | | | 3,693 |
| Total borrowings | | | 80,057 |

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 20 February 2013 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 Suit against Favelle Favco Cranes (USA) Inc ("FFU"), commenced by Mr. Robert Panarella ("the Plaintiff") in the Supreme Court of the State of New York, as previously reported remains ongoing.

FFU intends to vigorously defend the same.

B10. PROPOSED DIVIDENDS

The directors recommend a first and final dividend as follow subject to approval of the shareholders at the forthcoming Annual General Meeting. The payable final dividend is amounted to RM16.244 million.

| | |
|-----------------------------------|---------------|
| | Sen per share |
| Taxable dividend, less tax of 25% | 1.35 |
| Tax exempt dividend | 6.65 |
| Total | <u>8.00</u> |

The first and final dividend for 2012 is computed based on the issued and paid up share capital (excluding treasury share) of 211,990,763 ordinary shares of RM0.50 each as at 31 December 2012.

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

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 31.12.2012 | Cumulative Qtr To-date 31.12.2012 |
|---|----------------------------------|---|
| Net profit attributable to the shareholders of the Company (RM'000) | 13,118 | 61,746 |
| Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000) | 196,683 | 183,563 |
| Basic EPS (Sen) | 6.67 | 33.64 |

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 31.12.2012 | Cumulative Qtr To-date 31.12.2012 |
|---|----------------------------------|---|
| Net profit attributable to the shareholders of the Company (RM'000) | 13,118 | 61,746 |
| Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000) | 196,683 | 183,563 |
| Effect of dilution ('000) | 4,387 | 4,387 |
| Adjusted weighted average number of ordinary shares in issue and issuable (based on ordinary share of RM0.50 each) ('000) | 201,070 | 187,950 |
| Diluted EPS (Sen) | 6.52 | 32.85 |

B12. REALISED AND UNREALISED PROFIT/LOSSES

| | As at 31.12.2012 RM'000 | As at 31.12.2011 RM'000 |
|---|-------------------------------|-------------------------------|
| Total retained profits / (accumulated losses) of Favelle Favco Berhad and its subsidiaries: | | |
| - Realised | 144,553 | 54,854 |
| - Unrealised | (8,263) | 14,497 |
| Total share of retained profits / (accumulated losses) from associated companies: | | |
| - Realised | (1,059) | (868) |
| - Unrealised | 2 | - |
| Less: Consolidation adjustments | 135,233 47,075 | 68,483 55,590 |
| Total group retained profits / (accumulated losses) as per consolidated accounts | 182,308 | 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 25 February 2013.

Date: 25 February 2013