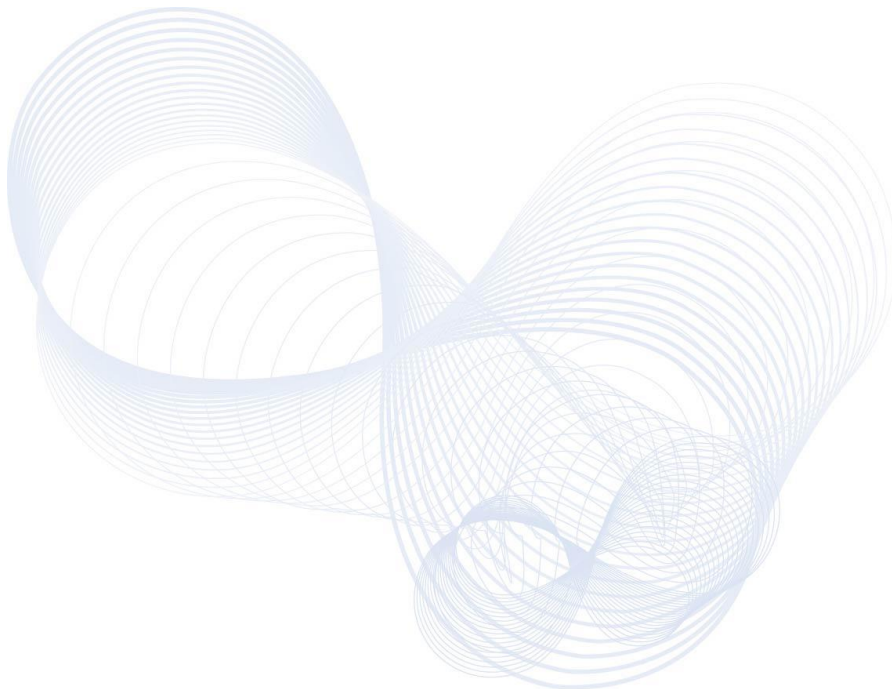


Goodway Integrated Industries Berhad
(Company No. 618972-T)



Quarterly Results for the Financial Period ended
30 September 2008



GOODWAY INTEGRATED INDUSTRIES BERHAD
(Company No. 618972-T)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter ended 30.9.08 RM'000	Preceding Year Corresponding Quarter ended 30.9.07 RM'000	Current Year Period-to-date ended 30.9.08 RM'000	Preceding Year Corresponding Period-to-date ended 30.9.07 RM'000
Revenue	80,931	56,089	213,867	152,563
Cost of sales	<u>(74,100)</u>	<u>(46,056)</u>	<u>(191,775)</u>	<u>(127,976)</u>
Gross profit	6,831	10,033	22,092	24,587
Other operating income	343	45	1,187	268
Interest Income	42	47	120	108
Operating expenses	(5,504)	(4,870)	(15,799)	(12,965)
Finance cost	(2,356)	(1,649)	(6,638)	(4,801)
Share of profit in jointly controlled entity	10	-	10	-
(Loss)/Profit before tax	<u>(634)</u>	<u>3,606</u>	<u>972</u>	<u>7,197</u>
Taxation	(162)	(1,510)	(961)	(3,039)
(Loss)/Profit for the period	<u><u>(796)</u></u>	<u><u>2,096</u></u>	<u><u>11</u></u>	<u><u>4,158</u></u>
Attributable to:				
Equity holders of the parent	(780)	2,327	(62)	5,061
Minority interest	(16)	(231)	73	(903)
	<u><u>(796)</u></u>	<u><u>2,096</u></u>	<u><u>11</u></u>	<u><u>4,158</u></u>
Earnings per share attributable to equity holders of the parent				
- Basic earnings per share (sen)	<u><u>(0.97)</u></u>	<u><u>2.90</u></u>	<u><u>(0.08)</u></u>	<u><u>6.30</u></u>
- Diluted earnings per share (sen)	<u><u>(0.96)</u></u>	<u><u>2.88</u></u>	<u><u>(0.07)</u></u>	<u><u>6.26</u></u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2007.

GOODWAY INTEGRATED INDUSTRIES BERHAD
(Company No. 618972-T)

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2008
(The figures have not been audited)

	As At End of Current Quarter 30.9.08 RM'000	Audited As At 31.12.07 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	92,351	94,596
Prepaid interest in leased land	29,228	29,109
Investment in jointly controlled entity	1,779	-
Other investments	500	500
Deferred tax assets	5,236	5,537
Intangible Assets	6,148	6,148
	<u>135,242</u>	<u>135,890</u>
Current assets		
Inventories	49,523	42,431
Receivables	65,290	59,172
Tax recoverable	1,305	1,141
Cash and cash equivalents	7,561	16,401
	<u>123,679</u>	<u>119,145</u>
TOTAL ASSETS	<u><u>258,921</u></u>	<u><u>255,035</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,189	40,189
Reserves	14,807	14,368
Retained earnings	21,189	22,442
	<u>76,185</u>	<u>76,999</u>
Minority shareholders' interests	640	658
Total equity	<u>76,825</u>	<u>77,657</u>
Non-current liabilities		
Deferred tax liabilities	12,834	12,969
Long term borrowings	58,278	54,786
Total non-current liabilities	<u>71,112</u>	<u>67,755</u>
Current liabilities		
Payables	47,390	42,995
Short term borrowings	63,551	66,212
Taxation	43	416
Total current liabilities	<u>110,984</u>	<u>109,623</u>
Total liabilities	<u>182,096</u>	<u>177,378</u>
TOTAL EQUITY AND LIABILITIES	<u><u>258,921</u></u>	<u><u>255,035</u></u>
Net Assets per share (RM)	0.96	0.97

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2007.

GOODWAY INTEGRATED INDUSTRIES BERHAD
(Company No. 618972-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008
(The figures have not been audited)

	← Attributable to shareholders of the company →						Sub-total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserves RM'000	Capital Reserve RM'000				Distributable Retained Profit/(Loss) RM'000
Balance as at 1 January 2008	40,189	11,143	(45)	3,049	222	-	18,297	72,855	658	73,513
Changes in accounting policies: - Recognition of Reinvestment Allowance	-	-	-	-	-	-	4,144	4,144	-	4,144
Restated balance	40,189	11,143	(45)	3,049	222	-	22,441	76,999	658	77,657
Changes in equity ended 30 September 2008										
Exchange differences on translation of foreign subsidiary	-	-	347	-	-	-	-	347	-	347
Issue of shares to minority shareholder	-	-	-	-	-	91	-	91	-	91
Net profit recognised in equity	-	-	347	-	-	91	-	438	-	438
Profit for the period	-	-	-	-	-	-	(62)	(62)	(18)	(80)
Total recognised income and expense for the period	-	-	347	-	-	91	(62)	376	(18)	358
Dividend paid	-	-	-	-	-	-	(1,190)	(1,190)	-	(1,190)
Balance as at 30 September 2008	40,189	11,143	302	3,049	222	91	21,189	76,185	640	76,825

GOODWAY INTEGRATED INDUSTRIES BERHAD
(Company No. 618972-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008
(The figures have not been audited)

	← Attributable to shareholders of the company →						Sub-total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserves RM'000	Capital Reserve RM'000				Distributable Retained Profit/(Loss) RM'000
Balance as at 1 January 2007	40,000	11,087	(168)	3,049	94	-	14,881	68,943	1,047	69,990
Changes in accounting policies:										
- Recognition of Reinvestment Allowance	-	-	-	-	-	-	4,144	4,144	-	4,144
Restated balance	40,000	11,087	(168)	3,049	94	-	19,025	73,087	1,047	74,134
Changes in equity ended 30 September 2007										
Exchange differences on translation of foreign subsidiary	-	-	541	-	-	-	-	541	105	646
Net loss recognised in equity	-	-	541	-	-	-	-	541	105	646
Profit for the period	-	-	-	-	-	-	5,061	5,061	(903)	4,158
Total recognised income and expense for the period	-	-	541	-	-	-	5,061	5,602	(798)	4,804
Dividend paid	-	-	-	-	-	-	(1,306)	(1,306)	-	(1,306)
Issuance of new ordinary shares	184	55	-	-	-	-	-	239	-	239
Share based payments	-	-	-	-	128	-	-	128	-	128
Balance as at 30 September 2007	40,184	11,142	373	3,049	222	-	22,780	77,750	249	77,999

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statement for the year ended 31 December 2007.

GOODWAY INTEGRATED INDUSTRIES BERHAD
(Company No. 618972-T)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008
(The figures have not been audited)

	Cumulative Current Year Ended 30.9.08 RM'000	Cumulative Preceding Year Ended 30.9.07 RM'000
Cash flows from operating activities		
Profit before taxation	972	7,197
Adjustments for :		
Non-cash items adjustments	<u>13,356</u>	<u>9,164</u>
Operating profit before working capital changes	14,328	16,361
Increase/Decrease in working capital		
Inventories	(7,091)	(6,083)
Receivables	(6,289)	(11,551)
Payables	<u>13,131</u>	<u>79</u>
Cash generated generated from/ (used in) operations	14,079	(1,194)
Interest received	(119)	108
Interest paid	(6,607)	(4,801)
Tax (paid)/ refund	<u>(358)</u>	<u>702</u>
Net cash flow generated from/ (used in) operating activities	<u>6,995</u>	<u>(5,185)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,396)	(7,332)
Proceeds from disposal of property, plant and equipment	-	175
Acquisition of jointly-controlled entity	<u>(1,789)</u>	<u>-</u>
Net cash flow used in investing activities	<u>(15,185)</u>	<u>(7,157)</u>
Cash flows from financing activities		
Dividend paid	(1,190)	(1,306)
Proceeds of borrowings	1,545	19,896
(Repayment)/ Drawdown of hire purchase creditors	(385)	4
Proceeds from issuance of new ordinary shares	-	239
Net cash flow (used in)/ generated from financing activities	<u>(30)</u>	<u>18,833</u>
Exchange differences on translation of the financial statements of foreign subsidiary	<u>102</u>	<u>141</u>
Net changes in cash and cash equivalents	(8,118)	6,632
Cash and cash equivalents at beginning of period	<u>15,327</u>	<u>5,014</u>
Cash and cash equivalents at end of period	<u>7,209</u>	<u>11,646</u>
<u>Cash and cash equivalents comprises of</u>		
Cash and bank balances	7,561	11,646
Bank Overdraft	<u>(352)</u>	<u>-</u>
	<u>7,209</u>	<u>11,646</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying explanatory notes to the interim financial statements and latest audited financial statement for the year ended 31 December 2007.

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - FRS 134

A1. Basis of Preparation

This interim financial statement has been prepared under the historical cost convention except for the revaluation of landed properties.

This interim financial statement is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 - "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("BMSB") and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2008.

Revised FRS 112 - Income Tax

The adoption of these new accounting standards do not have any material impact on the results of the Group for the current financial period except as stated belows:

(a) Revised FRS 112: Income Taxes

FRS 112 addresses the accounting treatment for income taxes. However, FRS 112 does not prescribe the accounting treatment for reinvestment allowance and investment tax allowance (tax incentives). In the current accounting policy for income taxes, reinvestment allowance or investment tax allowance is treated as the tax base of an asset. On adoption of FRS 112, the Group accounts for the tax incentives as a reduction in tax rate applied to deferred tax liabilities in FRS 112. The change in accounting policy is to be applied retrospectively and have the following impact on the financial statements:

	31 December 07 as previously reported RM'000	Adjustment RM'000	31 December 07 restated RM'000
ASSETS			
Non-current assets			
Deferred tax assets	1,393	4,144	5,537
	<hr/>		<hr/>
EQUITY			
Retained earnings	18,297	4,144	22,441
	<hr/>		<hr/>

A3. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's Financial Statements for the year ended 31 December 2007 was not subject to any qualifications.

A4. Seasonality or Cyclical

The Group's operations are not materially affected by seasonality or cyclical factors during the quarter under review.

A5. Unusual Items

There were no items affecting assets, liabilities, equity, net income or cash flows during the current financial period that are unusual because of their nature, size or incidence.

A6. Changes in Estimates

There were no material changes in estimates that have been used in the preparation of the current financial period or changes in estimates of amounts reported for the last financial year ended 31 December 2007.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A8. Dividend Paid

At first and final dividend of 2.00 sen per ordinary share on 80,377,000 issued and paid up ordinary shares of RM0.50 each amounted to RM 1,190 million in respect of the financial year ended 31 December 2007 was paid on 28 September 2008.

A9. Segment Reporting

Segmental information is presented in respect of the Group's business segments:-

	<u>Compounding</u>	<u>Retreading</u>	<u>Trading</u>	<u>Others</u>	<u>Consolidation</u>	Cumulative
	RM'000	RM'000	RM'000	RM'000	adjustment	Quarter ended
					RM'000	30.9.08
						RM'000
External revenue	108,349	56,858	48,660	-	-	213,867
Inter-segment revenue	39,015	22,587	4,389	-	(65,991)	-
Total revenue	147,364	79,445	53,049	-	(65,991)	213,867
Overseas revenue	71,722	5,297	-	-	-	77,019
Local revenue	75,642	74,148	53,049	-	(65,991)	136,848
Total revenue	147,364	79,445	53,049	-	(65,991)	213,867
Segment results	5,848	928	732	(808)	780	7,480
Interest Income						120
Finance Cost						(6,638)
Share of profit in jointly controlled entity						10
Profit before taxation						972
Taxation						(961)
Minority Interest						(73)
Loss attributable to equity holders of the parent						(62)

A10. Valuation of Property, Plant and Equipment

Valuations of freehold and leasehold land and buildings have been brought forward, without amendments from the previous annual financial statements.

A11. Subsequent Events

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for this quarter and financial period to-date.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.

A13. Contingent Liabilities and Contingent Assets

	As at 30.9.08
	RM'000
Contingent Liabilities	
Corporate guarantee for credit facilities granted to subsidiaries	<u>40,005</u>

Save as disclosed above, there were no material changes in contingent liabilities and contingent assets since the last audited financial statements for the year ended 31 December 2007

A14. Capital Commitments

There are no other outstanding capital commitments at the end of the current quarter.

A15. Related Party Transactions

Related Party Transactions had been entered into in the ordinary course of business based on normal commercial terms and at arms length.

B. BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Performance Review

	Current Year Quarter ended 30.9.08 RM'000	Preceding Year Corresponding Quarter ended 30.9.07 RM'000	Current Year Period-to-date ended 30.9.08 RM'000	Preceding Year Corresponding Period-to-date ended 30.9.07 RM'000
Revenue	80,931	56,089	213,867	152,563
(Loss)/Profit for the period	(796)	2,096	11	4,158

The Group achieved revenue of RM80.9 million for the quarter ended 30 September 2008 as compared to RM56.1 million in the corresponding quarter of the preceding year, an increase of RM24.8 mil or 44%. The increase in revenue was mainly due to the trading segment .

The Group reported a net loss after tax of RM0.8 million compared to profit after tax of RM2.1 million in the corresponding quarter of the preceding year. The decline in the financial results was mainly due to the heavy fluctuations of raw material prices during the quarter under review that affected the profit margin.

B2. Comparison Of The Current Quarter Results Against Preceding Quarter

	Current Quarter ended 30.9.08 RM'000	Preceding Quarter ended 30.6.08 RM'000
Revenue	80,931	71,776
Profit for the period	(796)	510

The Group's revenue in the current financial quarter increased 13% from RM 71.8 million in the last quarter to RM 80.9 million this quarter. The trading division registered higher sales that was partly offset by declines in the retreading and compounding divisions. Due to the price volatility experienced in the quarter, raw material prices reached their highest-ever levels which required selling price adjustments. This led to some loss of market share and the compressed margins resulted in the overall losses registered for this quarter.

B3. Prospects

The current global economic slowdown has affected our operations especially in Europe and Asean countries and we foresee that our financial performance in the fourth quarter will be less favourable. However, as long as the prices of commodities do not experience significant volatility, we will be able to compete profitability in year 2009.

B4. Profit forecast

The group has not issued any profit forecast or profit guarantee during the current financial quarter.

B5. Taxation Charge

The taxation comprises the following :

	Current Quarter Ended 30.9.08 RM'000	Cumulative Period-to-date Ended 30.9.08 RM'000
Taxation		
- Current year	81	1,108
Deferred taxation		
- Current year	81	(147)
Total taxation	<u>162</u>	<u>961</u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate as certain expenses were not deductible for tax purposes and certain subsidiaries' operational losses, which are not available for Group tax relief.

B6. Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter and financial period to-date.

B7. Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter and financial period to-date.

B8. Corporate Proposal

There were no corporate proposals announced but not completed as at the date of this report.

B9. Group Borrowings

The Group borrowings as at 30 September 2008 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	15,167	18,384	33,551
- Bonds (RM)	30,000	-	30,000
	<u>45,167</u>	<u>18,384</u>	<u>63,551</u>
Long term borrowings			
- Local currency (RM)	8,278	-	8,278
- Bonds (RM)	50,000	-	50,000
	<u>58,278</u>	<u>-</u>	<u>58,278</u>
Total	<u>103,445</u>	<u>18,384</u>	<u>121,829</u>

B10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report except for the following:-

	As at 30.9.08 RM'000
Forward foreign exchange contracts	<u>15,205</u>

The Group uses foreign exchange forward contracts to hedge its exposure to foreign exchange rates risk arising from operational, financing and investment activities.

Foreign exchange forward contracts are used to reduce exposure to fluctuations in foreign exchange rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Foreign exchange forward contracts used for hedging purposes are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

Foreign exchange forward contracts that do not qualify for hedge accounting are accounted for as trading instruments and marked to market at balance sheet date. Any profit or loss is recognised in the income statement.

The maturity dates for the forward foreign exchange contracts entered into range from 1 to 3 months.

B11. Material litigation

The Group does not have any material litigation as at the date of this report.

B12. Proposed Dividend

No interim dividend has been declared for the current financial quarter under review.

B13. Earnings Per Share (EPS)

	Current Quarter Ended 30.9.08	Cumulative Period-to-date Ended 30.9.08
<u>Basic EPS</u>		
Net profit attributable to the shareholders (RM'000)	(780)	(62)
Weighted average number of shares ('000)	80,377	80,377
Basic Earnings Per Share (sen)	(0.97)	(0.08)

Diluted EPS

The weighted average number of ordinary shares was calculated as followings:-

Net profit attributable to the shareholders (RM'000)	(776)	(58)
Weighted average number of shares ('000)	80,377	80,377
Adjustment for the exercise of ESOS ('000)	103	-
Adjusted weighted average number of shares ('000)	80,480	80,377
Diluted Earnings Per Share (sen)	(0.96)	(0.07)

By order of the Board
GOODWAY INTEGRATED INDUSTRIES BERHAD
Lim Hooi Mooi
Company Secretary MAICSA 0799764

Kuala Lumpur
25 November 2008