

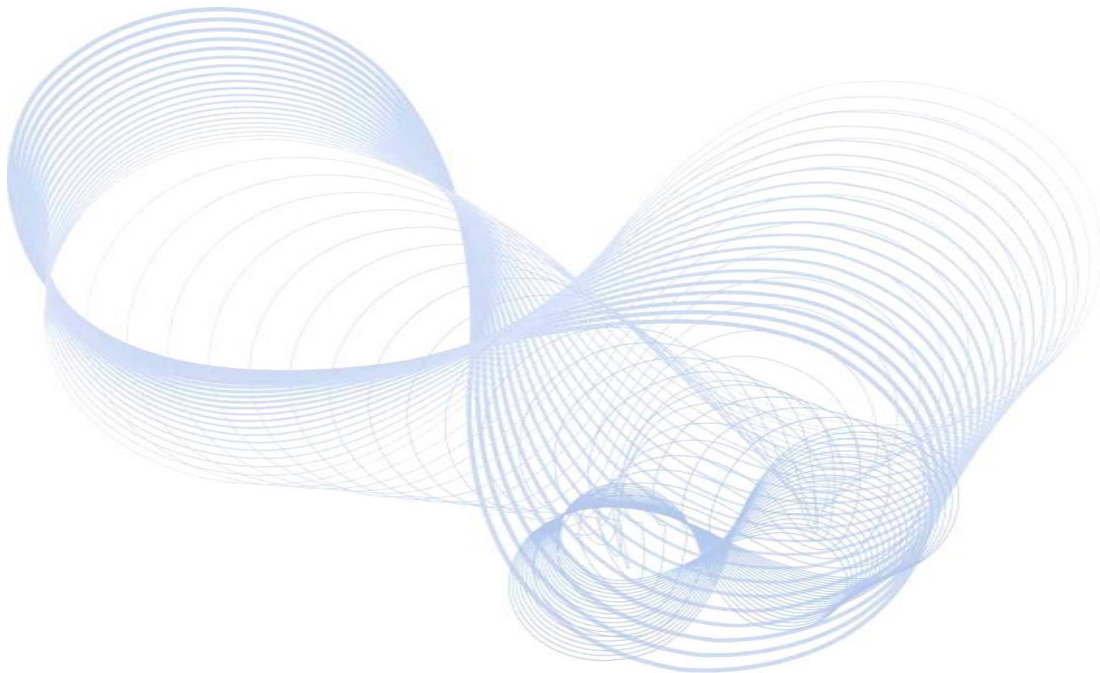
Goodway Integrated Industries Berhad

(Company No. 618972-T)



Quarterly Results for the Financial Period ended

30 June 2009



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2009
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter ended 30.6.09 RM'000	Preceding Year Corresponding Quarter ended 30.6.08 RM'000	Current Year Period-to-date ended 30.6.09 RM'000	Preceding Year Corresponding Period-to-date ended 30.6.08 RM'000
Revenue	45,762	71,776	84,154	132,936
Cost of sales	<u>(37,094)</u>	<u>(63,231)</u>	<u>(71,826)</u>	<u>(117,674)</u>
Gross profit	8,668	8,545	12,328	15,262
Other operating income	20	546	1,665	844
Interest Income	9	35	20	77
Operating expenses	(4,872)	(5,446)	(9,188)	(10,293)
Finance cost	(1,724)	(2,401)	(3,504)	(4,281)
Share of loss in jointly controlled entity	(26)	-	(122)	-
(Loss)/Profit before tax	<u>2,075</u>	<u>1,279</u>	<u>1,199</u>	<u>1,609</u>
Taxation	(313)	(769)	(332)	(800)
(Loss)/Profit for the period	<u><u>1,762</u></u>	<u><u>510</u></u>	<u><u>867</u></u>	<u><u>809</u></u>
Attributable to:				
Equity holders of the parent	1,750	561	850	720
Minority interest	12	(51)	17	89
	<u><u>1,762</u></u>	<u><u>510</u></u>	<u><u>867</u></u>	<u><u>809</u></u>
Earnings per share attributable to equity holders of the parent				
- Basic earnings per share (sen)	<u><u>2.18</u></u>	<u><u>0.70</u></u>	<u><u>1.06</u></u>	<u><u>0.90</u></u>
- Diluted earnings per share (sen)	<u><u>Nil</u></u>	<u><u>0.70</u></u>	<u><u>Nil</u></u>	<u><u>0.90</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 2008.

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

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009
(The figures have not been audited)

	As At End of Current Quarter 30.6.09 RM'000	Audited As At 31.12.08 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	78,900	83,037
Prepaid interest in leased land	28,024	29,197
Investment in jointly controlled entity	2,017	2,010
Investment in associate company	409	409
Deferred tax assets	5,596	5,596
Intangible Assets	6,000	6,000
	<u>120,946</u>	<u>126,249</u>
Current assets		
Inventories	29,645	37,292
Receivables	47,539	42,677
Tax recoverable	940	953
Non Current assets classified as held for sale	1,538	5,293
Cash and cash equivalents	8,295	8,961
	<u>87,957</u>	<u>95,176</u>
TOTAL ASSETS	<u><u>208,903</u></u>	<u><u>221,425</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,189	40,189
Reserves	14,132	13,757
Retained earnings	9,934	9,085
	<u>64,255</u>	<u>63,031</u>
Minority shareholders' interests	637	620
Total equity	<u>64,892</u>	<u>63,651</u>
Non-current liabilities		
Deferred tax liabilities	11,871	12,297
Long term borrowings	47,474	57,900
Total non-current liabilities	<u>59,345</u>	<u>70,197</u>
Current liabilities		
Payables	25,074	26,819
Short term borrowings	59,503	60,737
Taxation	89	21
Total current liabilities	<u>84,666</u>	<u>87,577</u>
Total liabilities	<u>144,011</u>	<u>157,774</u>
TOTAL EQUITY AND LIABILITIES	<u><u>208,903</u></u>	<u><u>221,425</u></u>
Net Assets per share (RM)	0.81	0.79

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 2008.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009
(The figures have not been audited)

	Attributable to shareholders of the company						Sub-total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Non Distributable			Distributable						
	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				Retained Profit/(Loss) RM'000
Balance as at 1 January 2009	40,189	11,143	(657)	3,049	222	-	9,085	63,031	620	63,651
Exchange differences on translation of foreign subsidiary	-	-	950	-	-	-	-	950	-	950
Net loss recognised in equity	-	-	950	-	-	-	-	950	-	950
Loss for the period	-	-	-	(576)	-	-	850	274	17	291
Total recognised income and expense for the period	-	-	950	(576)	-	-	850	1,224	17	1,241
Balance as at 30 June 2009	40,189	11,143	293	2,473	222	-	9,935	64,255	637	64,892
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 June 2008										
Exchange differences on translation of foreign subsidiary	-	-	1,010	-	-	-	-	1,010	(139)	871
Issued of shares to minority shareholder	-	-	-	-	-	204	-	204	-	204
Net loss recognised in equity	-	-	1,010	-	-	204	-	1,214	(139)	1,075
Profit for the period	-	-	-	-	-	-	720	720	89	809
Total recognised income and expense for the period	-	-	1,010	-	-	204	720	1,934	(50)	1,884
Proposed dividend	-	-	-	-	-	-	(1,190)	(1,190)	-	(1,190)
Balance as at 30 June 2008	40,189	11,143	965	3,049	222	204	21,971	77,743	608	78,351

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 2008.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009
(The figures have not been audited)

	Cumulative Current Year Ended 30.6.09 RM'000	Cumulative Preceding Year Ended 30.6.08 RM'000
Cash flows from operating activities		
(Loss)/Profit before taxation	1,199	1,609
Adjustments for :		
Non-cash items adjustments	<u>5,867</u>	<u>8,621</u>
Operating profit before working capital changes	7,066	10,230
Increase/Decrease in working capital		
Inventories	7,646	(4,053)
Receivables	647	(5,046)
Payables	<u>(2,682)</u>	<u>3,630</u>
Cash generated generated from/ (used in) operations	12,677	4,761
Interest received	20	77
Interest paid	(3,504)	(4,282)
Tax paid/Tax Refund	<u>259</u>	<u>(321)</u>
Net cash flow generated from/ (used in) operating activities	<u>9,452</u>	<u>235</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(169)	(2,715)
Proceeds from disposal of property, plant and equipment	<u>759</u>	<u>520</u>
Net cash flow used in investing activities	<u>590</u>	<u>(2,195)</u>
Cash flows from financing activities		
Repayment of borrowings	(14,338)	(3,048)
Repayment of hire purchase creditors	<u>(237)</u>	<u>(262)</u>
Net cash flow used in financing activities	<u>(14,575)</u>	<u>(3,310)</u>
Exchange differences on translation of the financial statements of foreign subsidiary	<u>952</u>	<u>923</u>
Net changes in cash and cash equivalents	(3,581)	(4,347)
Cash and cash equivalents at beginning of period	<u>8,961</u>	<u>15,327</u>
Cash and cash equivalents at end of period	<u>5,380</u>	<u>10,980</u>
<u>Cash and cash equivalents comprises of</u>		
Cash and bank balances	8,295	13,860
Bank Overdraft	<u>(2,915)</u>	<u>(2,880)</u>
	<u>5,380</u>	<u>10,980</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 2008.

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

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 2008.

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 audited financial statements for the financial year ended 31 December 2008.

A3. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's Financial Statements for the year ended 31 December 2008 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 and 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 2008.

A7. Debt and Equity Securities

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

A8. Dividend Paid

No dividend is to be paid or declared for the current quarter under review.

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>	<u>Cumulative</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>adjustment</u>	<u>Quarter ended</u>
					<u>RM'000</u>	<u>30.6.09</u>
						<u>RM'000</u>
External revenue	43,738	29,431	10,985	-	-	84,154
Inter-segment revenue	19,548	244	209	-	(20,001)	-
Total revenue	<u>63,286</u>	<u>29,675</u>	<u>11,194</u>	<u>-</u>	<u>(20,001)</u>	<u>84,154</u>
Overseas revenue	40,937	1,787	-	-	(7,831)	34,893
Local revenue	22,349	27,888	11,194	-	(12,170)	49,261
Total revenue	<u>63,286</u>	<u>29,675</u>	<u>11,194</u>	<u>-</u>	<u>(20,001)</u>	<u>84,154</u>
Segment results	4,487	702	(55)	852	(1,181)	4,805
Interest Income						20
Share of loss in jointly controlled entity						(122)
Finance cost						<u>(3,504)</u>
Profit before taxation						1,199
Taxation						(332)
Minority Interest						<u>(17)</u>
Profit for the period attributable to equity holders of the Holding Company						<u>850</u>

A10. Valuation of Property, Plant and Equipment

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

A11. Material Events Subsequent to the end of the Period

There were no material events subsequent to the end of the period that have not been reflected in the financial report 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 under review.

A13. Contingent Liabilities and Contingent Assets

As at 30.6.09

RM'000

Contingent Liabilities

Corporate guarantee for credit facilities granted to subsidiaries

35,890

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 2008.

A14. Capital Commitments

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

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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Period-to-date	Corresponding
	ended	Quarter	ended	Period-to-date
	30.6.09	ended	30.6.09	ended
	RM'000	RM'000	RM'000	RM'000
Revenue	45,762	71,776	84,154	132,936
Profit for the period	1,762	510	867	809

The Group achieved revenue of RM45.8 million for the quarter ended 30 June 2009 as compared to RM71.8 million in the corresponding quarter of the preceding year, a decrease of RM26 million or 36%. The decrease in revenue was mainly due to a lower trading volume.

Despite the lower sales, the Group reported profit after tax of RM1.76 million as compared to profit after tax of RM0.5 million in the corresponding quarter of the preceding year. This was mainly due to better pricing and cost control.

B2. Comparison Of The Current Quarter Results Against Preceding Quarter

	Current Quarter	Preceding Quarter
	ended 30.6.09	ended 31.3.09
	RM'000	RM'000
Revenue	45,762	38,392
Profit/(Loss) for the period	1,762	(895)

The Group's revenue increased by 19% from RM38.4 million in 1Q2009 to RM45.8 million in current quarter under review and also recorded a profit of RM1.76 million as compare to a loss of RM895,000 in 1Q2009.

B3. Prospects

The Group's financial performance has improved from the previous quarter as a result of the increased demand for rubber compound and retread tyres. It is anticipated that the said demand will remain strong. In this regard, the Group will continue to boost its sales and marketing activities to stay competitive in the market. As such, the Group foresees that its financial performance will continue to improve in the forthcoming quarter.

B4. Profit forecast

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

B5. Taxation Charge

The taxation comprises the following :

	Current Quarter	Cumulative
	Ended	Period-to-date
	30.6.09	Ended
	RM'000	RM'000
Taxation		
- Current year	313	332
Total taxation	<u>313</u>	<u>332</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 was no sales of unquoted investment and/or properties for the current quarter and financial period to-date, except for the disposal of office suite for a total cash consideration of RM6.2 million on 18 March 2009.

B7. Quoted Securities

The 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 June 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	21,131	10,372	31,503
- Bonds (RM)	28,000	-	28,000
	<u>49,131</u>	<u>10,372</u>	<u>59,503</u>
Long term borrowings			
- Local currency (RM)	7,474	-	7,474
- Bonds (RM)	40,000	-	40,000
	<u>47,474</u>	<u>-</u>	<u>47,474</u>
Total	<u>96,605</u>	<u>10,372</u>	<u>106,977</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 30.6.09 RM'000
Forward foreign exchange contracts	<u>2,520</u>

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

Foreign exchange forward contracts are used to reduce the risk exposure to fluctuations in foreign exchange rates. However, this is subject to the risk of market rate 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 on the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as of 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 in come 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 30.6.09	Cumulative Period-to-date Ended 30.6.09
<u>Basic EPS</u>		
Net profit attributable to the shareholders (RM'000)	1,750	850
Weighted average number of shares ('000)	80,377	80,377
Basic Earnings/(Loss) Per Share (sen)	2.18	1.06

Diluted EPS

The effect on the basic earning per share arising from the assumed exercise of ESOS is anti-dilutive. Accordingly, diluted earnings per share has not been presented.

By order of the Board

GOODWAY INTEGRATED INDUSTRIES BERHAD

Koon Wai Ye

Company Secretary (MAICSA 7048269)

Shah Alam

13 August 2009