

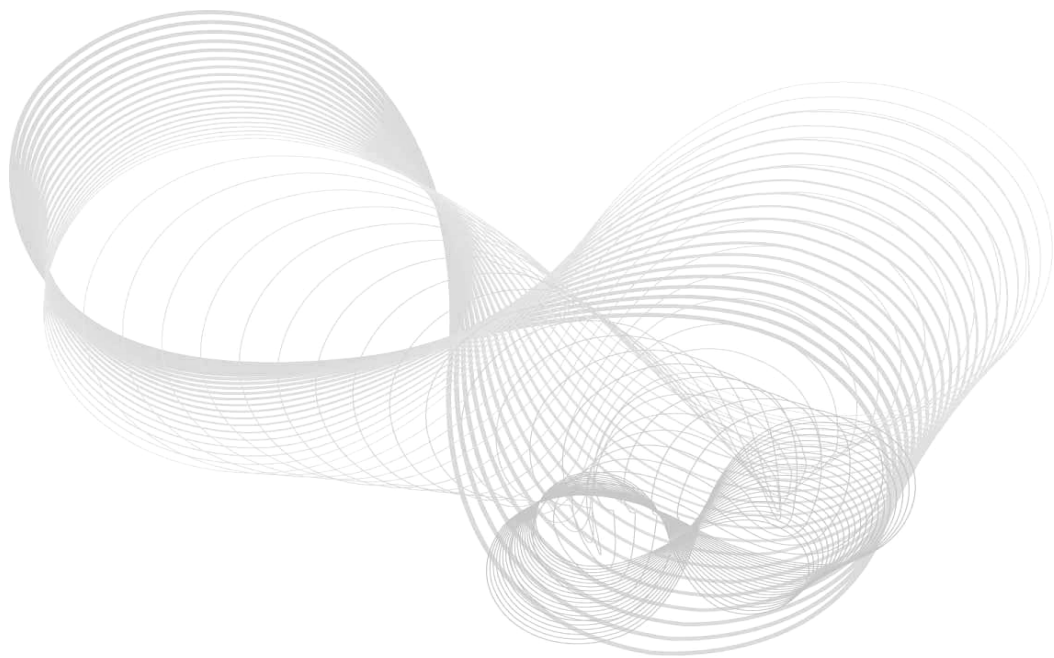
Goodway Integrated Industries Berhad

(Company No. 618972-T)



Quarterly Results for the Financial Period ended

30 September 2009



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

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter ended 30.9.09 RM'000	Preceding Year Corresponding Quarter ended 30.9.08 RM'000	Current Year Period-to-date ended 30.9.09 RM'000	Preceding Year Corresponding Period-to-date ended 30.9.08 RM'000
Revenue	53,586	80,931	137,740	213,867
Cost of sales	<u>(45,009)</u>	<u>(74,100)</u>	<u>(116,835)</u>	<u>(191,775)</u>
Gross profit	8,577	6,831	20,905	22,092
Other operating income	(153)	343	1,512	1,187
Interest Income	13	42	33	120
Operating expenses	(4,960)	(5,504)	(14,148)	(15,799)
Finance cost	(1,754)	(2,356)	(5,258)	(6,638)
Share of loss in jointly controlled entity	(3)	10	(125)	10
Profit/(Loss) before tax	<u>1,720</u>	<u>(634)</u>	<u>2,919</u>	<u>972</u>
Taxation	(579)	(162)	(911)	(961)
Profit/(Loss) for the period	<u><u>1,141</u></u>	<u><u>(796)</u></u>	<u><u>2,008</u></u>	<u><u>11</u></u>
Attributable to:				
Equity holders of the parent	1,097	(780)	1,947	(62)
Minority interest	44	(16)	61	73
	<u><u>1,141</u></u>	<u><u>(796)</u></u>	<u><u>2,008</u></u>	<u><u>11</u></u>
Earnings per share attributable to equity holders of the parent				
- Basic earnings per share (sen)	<u>1.36</u>	<u>(0.97)</u>	<u>2.42</u>	<u>(0.08)</u>
- Diluted earnings per share (sen)	<u>Nil</u>	<u>(0.96)</u>	<u>Nil</u>	<u>(0.07)</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 SEPTEMBER 2009
(The figures have not been audited)

	As At End of Current Quarter 30.9.09 RM'000	Audited As At 31.12.08 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,191	83,037
Prepaid interest in leased land	28,002	29,197
Investment in jointly controlled entity	2,013	2,010
Investment in associate company	409	409
Deferred tax assets	5,596	5,596
Intangible Assets	6,000	6,000
	119,211	126,249
Current assets		
Inventories	34,611	37,292
Receivables	47,727	42,677
Tax recoverable	763	953
Non Current assets classified as held for sale	1,538	5,293
Cash and cash equivalents	9,371	8,961
	94,010	95,176
	213,221	221,425
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,189	40,189
Reserves	14,844	13,757
Retained earnings	11,608	9,085
	66,641	63,031
Minority shareholders' interests	681	620
Total equity	67,322	63,651
Non-current liabilities		
Deferred tax liabilities	11,804	12,297
Long term borrowings	46,777	57,900
Total non-current liabilities	58,581	70,197
Current liabilities		
Payables	23,917	26,819
Short term borrowings	63,268	60,737
Taxation	133	21
Total current liabilities	87,318	87,577
Total liabilities	145,899	157,774
TOTAL EQUITY AND LIABILITIES	213,221	221,425
Net Assets per share (RM)	0.84	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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	1,663	-	-	-	-	1,663	-	1,663
Net profit recognised in equity	-	-	1,663	-	-	-	-	1,663	-	1,663
Transferred of Reserve Profit for the period	-	-	-	(576)	-	-	576	1,947	61	2,008
Total recognised income and expense for the period	-	-	1,663	(576)	-	-	2,523	3,610	61	3,671
Balance as at 30 September 2009	40,189	11,143	1,006	2,473	222	-	11,608	66,641	681	67,322
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
Issued of shares to minority shareholder	-	-	-	-	-	91	-	91	-	91
Net loss 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
Proposed dividend	-	-	-	-	-	-	(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

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 SEPTEMBER 2009
(The figures have not been audited)

	Cumulative Current Year Ended 30.9.09 RM'000	Cumulative Preceding Year Ended 30.9.08 RM'000
Cash flows from operating activities		
(Loss)/Profit before taxation	2,919	972
Adjustments for :		
Non-cash items adjustments	10,015	13,356
Operating profit before working capital changes	12,934	14,328
Increase/Decrease in working capital		
Inventories	2,679	(7,091)
Receivables	473	(6,289)
Payables	(4,441)	13,131
Cash generated generated from/ (used in) operations	11,645	14,079
Interest received	33	(119)
Interest paid	(5,258)	(6,607)
Tax paid/Tax Refund	438	(358)
Net cash flow generated from/ (used in) operating activities	6,858	6,995
Cash flows from investing activities		
Purchase of property, plant and equipment	(466)	(13,396)
Acquisition of jointly-controlled entity		(1,789)
Proceeds from disposal of property, plant and equipment	946	
Net cash flow used in investing activities	480	(15,185)
Cash flows from financing activities		
Dividend paid	-	(1,190)
Repayment of borrowings	(11,179)	1,545
Repayment of hire purchase creditors	(444)	(385)
Net cash flow used in financing activities	(11,623)	(30)
Exchange differences on translation of the financial statements of foreign subsidiary	1,664	102
Net changes in cash and cash equivalents	(2,621)	(8,118)
Cash and cash equivalents at beginning of period	8,961	15,327
Cash and cash equivalents at end of period	6,340	7,209
<u>Cash and cash equivalents comprises of</u>		
Cash and bank balances	9,371	7,561
Bank Overdraft	(3,031)	(352)
	<u>6,340</u>	<u>7,209</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>	Consolidation	Cumulative
	RM'000	RM'000	RM'000	RM'000	<u>adjustment</u>	Quarter ended
					RM'000	<u>30.9.09</u>
						RM'000
External revenue	71,753	46,619	19,368	-	-	137,740
Inter-segment revenue	30,739	818	709	-	(32,266)	-
Total revenue	<u>102,492</u>	<u>47,437</u>	<u>20,077</u>	-	<u>(32,266)</u>	<u>137,740</u>
Oversea revenue	65,673	3,365	-	-	(13,284)	55,754
Local revenue	36,819	44,072	20,077	-	(18,982)	81,986
Total revenue	<u>102,492</u>	<u>47,437</u>	<u>20,077</u>	-	<u>(32,266)</u>	<u>137,740</u>
Segment results	7,368	2,017	68	37	(1,221)	8,269
Interest Income						33
Share of loss in jointly controlled entity						(125)
Finance cost						<u>(5,258)</u>
Profit before taxation						2,919
Taxation						(911)
Minority Interest						<u>(61)</u>
Profit for the period attributable to equity holders of the Holding Company						<u>1,947</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 save and except for the following: -

- On 20 August 2009, the Company had acquired the entire equity interest of 1,000,000 ordinary shares of Hong Kong Dollar One (HKD1.00) only each in the share capital of Goodway Simplex (HK) Pte. Limited from its wholly-owned subsidiary, namely Goodway (HK) Pte. Limited ("GHK") for a total consideration of HKD600,000.00 only. Subsequent to the acquisition, GSHK will be wholly-owned by GIIB.
- On 10 September 2009, the Company had submitted an application to strike-out its dormant subsidiary, namely Ever Lord Tyres Sdn Bhd pursuant to Section 308 of the Companies Act, 1965 to the Companies Commission of Malaysia.
- On 3 November 2009, the Company had submitted an application of deregistration of its wholly-owned subsidiary, namely Goodway (HK) Pte. Limited pursuant to Section 291AA of the Company Ordinance, Hong Kong to the Registrar of Companies in Hong Kong.

A13. Contingent Liabilities and Contingent Assets

	As at 30.9.09
	RM'000
Contingent Liabilities	
Corporate guarantee for credit facilities granted to subsidiaries	<u>40,526</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 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 Quarter ended 30.9.09 RM'000	Preceding Year Corresponding Quarter ended 30.9.08 RM'000	Current Year Period-to-date ended 30.9.09 RM'000	Preceding Year Corresponding Period-to-date ended 30.9.08 RM'000
Revenue	53,586	80,931	137,740	213,867
Profit for the period	1,141	(796)	2,008	11

The Group posted revenue of RM53.6 million during the quarter under review as compared to RM80.9 million in the same quarter of last year, a decrease of RM27 million. This was mainly due to lower sales volume.

Nevertheless, the Group had reported a profit after tax of RM1.14 million as compared to loss after tax of RM0.8 million in the same quarter of last year as a result of better cost control.

B2. Comparison Of The Current Quarter Results Against Preceding Quarter

	Current Quarter ended 30.9.09 RM'000	Preceding Quarter ended 30.6.09 RM'000
Revenue	53,586	45,762
Profit/(Loss) for the period	1,141	1,762

During the quarter under review, the Group gained a higher revenue of RM53.6 million, an increase of 17% from RM45.8 million in the previous quarter. Further, the Group remained profitable despite a lower profit after tax of RM1.14 million as compared to RM1.76 million reported in the previous quarter because of the continuous rise in the global commodities prices since June.

B3. Prospects

The overall performance from all business segments are as expected with better improvement in revenue generated by the retreading segment. Generally, the Group's financial position remained strong despite lower profit margin during the quarter under review. It is foreseeable that the raw material prices is likely to continue to increase until year end, which may be challenging to the Group in terms of passing the cost to the customers on time. Nevertheless, the Management of the Group is cognisant that continuous efforts in improving the operational efficiency will contribute to a stable outlook in the next 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 Ended 30.9.09 RM'000	Cumulative Period-to-date Ended 30.9.09 RM'000
Taxation		
- Current year	579	911
Total taxation	<u>579</u>	<u>911</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. The aforesaid disposal has been completed on 22 October 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 save and except for the joint venture agreement between the Company, PT Putra Arezda Purnama and Erwin Naulibasa Ng which was announced on 8 September 2009.

B9. Group Borrowings

The Group borrowings as at 30 September 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	14,037	22,231	36,268
- Bonds (RM)	27,000	-	27,000
	<u>41,037</u>	<u>22,231</u>	<u>63,268</u>
Long term borrowings			
- Local currency (RM)	6,777	-	6,777
- Bonds (RM)	40,000	-	40,000
	<u>46,777</u>	<u>-</u>	<u>46,777</u>
Total	<u>87,814</u>	<u>22,231</u>	<u>110,045</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 30.9.09 RM'000
Forward foreign exchange contracts	<u>661</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 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 30.9.09	Cumulative Period-to-date Ended 30.9.09
<u>Basic EPS</u>		
Net profit attributable to the shareholders (RM'000)	1,097	1,947
Weighted average number of shares ('000)	80,377	80,377
Basic Earnings/(Loss) Per Share (sen)	1.36	2.42

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
24 November 2009