

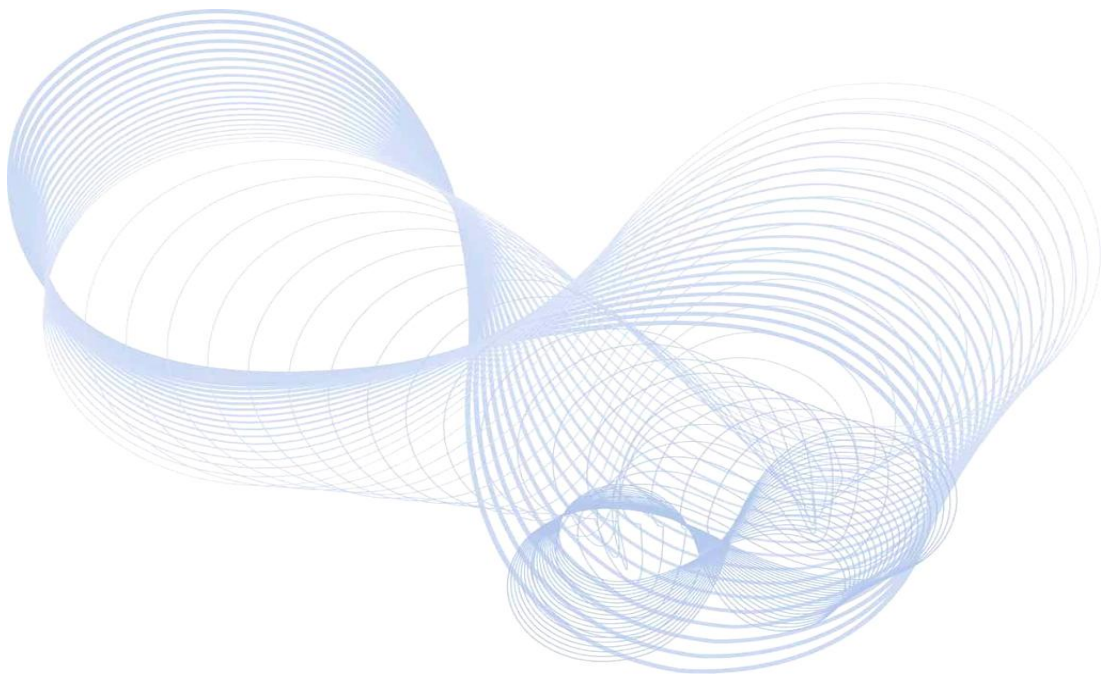
Goodway Integrated Industries Berhad

(Company No. 618972-T)



Quarterly Results for the Financial Period ended

31 December 2009



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter ended 31.12.09 RM'000	Preceding Year Corresponding Quarter ended 31.12.08 RM'000	Current Year Period-to-date ended 31.12.09 RM'000	Preceding Year Corresponding Period-to-date ended 31.12.08 RM'000
Revenue	57,700	39,724	195,440	253,591
Cost of sales	<u>(47,242)</u>	<u>(36,820)</u>	<u>(164,077)</u>	<u>(228,596)</u>
Gross profit	10,458	2,904	31,363	24,995
Other operating income	1,572	593	3,084	1,780
Interest income	32	101	65	220
Operating expenses	(7,420)	(15,473)	(21,568)	(31,270)
Finance cost	(1,427)	(1,489)	(6,685)	(8,127)
Share of profit in associate company	-	(91)	-	(91)
Share of loss in jointly controlled entity	(244)	(76)	(369)	(66)
Profit/(Loss) before tax	<u>2,971</u>	<u>(13,531)</u>	<u>5,890</u>	<u>(12,559)</u>
Taxation	(2,289)	675	(3,200)	(287)
Profit/(Loss) for the period	<u><u>682</u></u>	<u><u>(12,856)</u></u>	<u><u>2,690</u></u>	<u><u>(12,846)</u></u>
Attributable to:				
Equity holders of the parent	636	(12,848)	2,583	(12,911)
Minority interest	46	(8)	107	65
	<u><u>682</u></u>	<u><u>(12,856)</u></u>	<u><u>2,690</u></u>	<u><u>(12,846)</u></u>
Earnings per share attributable to equity holders of the parent				
- Basic earnings per share (sen)	<u><u>0.79</u></u>	<u><u>(15.98)</u></u>	<u><u>3.21</u></u>	<u><u>(16.06)</u></u>
- Diluted earnings per share (sen)	<u><u>Nil</u></u>	<u><u>Nil</u></u>	<u><u>Nil</u></u>	<u><u>Nil</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 31 DECEMBER 2009
(The figures have not been audited)

	As At End of Current Quarter 31.12.09 RM'000	Audited As At 31.12.08 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,328	83,037
Prepaid interest in leased land	27,946	29,197
Investment in jointly controlled entity	1,817	2,010
Investment in associate company	409	409
Deferred tax assets	-	5,596
Intangible assets	6,116	6,000
	<u>110,616</u>	<u>126,249</u>
Current assets		
Inventories	37,052	37,292
Receivables	46,764	42,677
Tax recoverable	852	953
Non current assets classified as held for sale	-	5,293
Cash and cash equivalents	13,314	8,961
	<u>97,982</u>	<u>95,176</u>
TOTAL ASSETS	<u>208,598</u>	<u>221,425</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,189	40,189
Reserves	14,438	13,757
Retained earnings	12,244	9,085
	<u>66,871</u>	<u>63,031</u>
Minority shareholders' interests	727	620
Total equity	<u>67,598</u>	<u>63,651</u>
Non-current liabilities		
Deferred tax liabilities	8,575	12,297
Long term borrowings	68,631	57,900
Total non-current liabilities	<u>77,206</u>	<u>70,197</u>
Current liabilities		
Payables	21,916	26,819
Short term borrowings	41,461	60,737
Taxation	417	21
Total current liabilities	<u>63,794</u>	<u>87,577</u>
Total liabilities	<u>141,000</u>	<u>157,774</u>
TOTAL EQUITY AND LIABILITIES	<u>208,598</u>	<u>221,425</u>
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 31 DECEMBER 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	-	-	1,257	-	-	-	-	1,257	-	1,257
Net profit recognised in equity	-	-	1,257	-	-	-	-	1,257	-	1,257
Transferred of Reserve Profit for the period	-	-	-	(576)	-	-	576	2,583	107	2,690
Total recognised income and expense for the period	-	-	1,257	(576)	-	-	3,159	3,840	107	3,947
Balance as at 31 December 2009	40,189	11,143	600	2,473	222	-	12,244	66,871	727	67,598
Balance as at 1 January 2008	40,189	11,143	(46)	3,049	222	-	18,298	72,855	658	73,513
Changes in accounting policies: - Recognition of Reinvestment Allowance	-	-	-	-	-	-	4,873	4,873	-	4,873
Restated balance	40,189	11,143	(46)	3,049	222	-	23,171	77,728	658	78,386
Changes in equity ended 31 December 2008										
Exchange differences on translation of foreign subsidiary	-	-	(686)	-	-	-	-	(686)	-	(686)
Issued of shares to minority shareholder	-	-	-	-	-	-	-	-	-	-
Net loss recognised in equity	-	-	(686)	-	-	-	-	(686)	-	(686)
Profit for the period	-	-	-	-	-	-	(12,911)	(12,911)	(38)	(12,949)
Total recognised income and expense for the period	-	-	(686)	-	-	-	(12,911)	(13,597)	(38)	(13,635)
Proposed dividend	-	-	-	-	-	-	(1,190)	(1,190)	-	(1,190)
Balance as at 31 December 2008	40,189		(732)	3,049	222	-	9,070	62,941	620	63,561

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 31 DECEMBER 2009
(The figures have not been audited)

	Cumulative Current Year Ended 31.12.09 RM'000	Cumulative Preceding Year Ended 31.12.08 RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	5,890	(12,559)
Adjustments for :		
Non-cash items adjustments	<u>13,472</u>	<u>17,047</u>
Operating profit before working capital changes increase/(decrease) in working capital	19,362	4,488
Inventories	239	5,140
Receivables	(4,384)	16,076
Payables	<u>(5,237)</u>	<u>(5,353)</u>
Cash generated generated from/ (used in) operations	9,980	20,351
Interest received	65	138
Interest paid	(6,685)	(6,234)
Tax paid/Tax refund	<u>(488)</u>	<u>(72)</u>
Net cash flow generated from/ (used in) operating activities	<u>2,872</u>	<u>14,183</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(837)	(14,462)
Acquisition of jointly-controlled entity	-	(2,145)
Proceeds from disposal of property, plant and equipment	9,781	-
Acquisition of jointly-controlled entity	(175)	-
Increase in Minority Interest	-	(73)
Net cash flow generated/(used in) investing activities	<u>8,769</u>	<u>(16,680)</u>
Cash flows from financing activities		
Dividend paid	-	(1,190)
Repayment of borrowings	(8,101)	(1,170)
Repayment of hire purchase creditors	<u>(444)</u>	<u>(513)</u>
Net cash flow used in financing activities	<u>(8,545)</u>	<u>(2,873)</u>
Exchange differences on translation of the financial statements of foreign subsidiary	<u>1,257</u>	<u>(996)</u>
Net changes in cash and cash equivalents	4,353	(6,366)
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>13,314</u>	<u>8,961</u>
<u>Cash and cash equivalents comprises of</u>		
Cash and bank balances	13,314	8,961
Bank Overdraft	-	-
	<u>13,314</u>	<u>8,961</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>
	RM'000	RM'000	RM'000	RM'000	<u>adjustment</u>	<u>Quarter ended</u>
					RM'000	<u>31.12.09</u>
						RM'000
External revenue	103,113	63,654	28,673	-	-	195,440
Inter-segment revenue	39,463	1,525	5,357	-	(46,345)	-
Total revenue	<u>142,576</u>	<u>65,179</u>	<u>34,030</u>	<u>-</u>	<u>(46,345)</u>	<u>195,440</u>
Overseas revenue	87,902	3,962	-	-	(17,129)	74,735
Local revenue	54,674	61,217	34,030	-	(29,216)	120,705
Total revenue	<u>142,576</u>	<u>65,179</u>	<u>34,030</u>	<u>-</u>	<u>(46,345)</u>	<u>195,440</u>
Segment results	10,269	4,123	377	(419)	(1,471)	12,879
Interest Income						65
Share of loss in jointly controlled entity						(369)
Share of profit in associate company						-
Finance cost						(6,685)
Profit before taxation						5,890
Taxation						(3,200)
Minority Interest						(107)
Profit for the period attributable to equity holders of the Holding Company						<u>2,583</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 31.12.09
RM'000

Contingent Liabilities

Corporate guarantee for credit facilities granted to subsidiaries

37,028

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 save and except for the purchase of machinery amounting to RM1.8 million.

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
	31.12.09	ended	31.12.09	ended
	RM'000	31.12.08	RM'000	RM'000
Revenue	57,700	39,724	195,440	253,591
Profit for the period	682	(12,856)	2,690	(12,846)

The Group registered a higher revenue of RM57.7 million during the quarter under review, an increase of 45% from RM39.7 million recorded in the same quarter of last year. On a year to year basis, the Group's revenue dropped by 22.9% resulted to a lower revenue of RM195.4 million in year 2009 as compared to RM253.5 million in year 2008. However, the Group's bottom line has improved significantly as shown in its profit after tax of RM4.48 million in year 2009 against its loss after tax of RM12.8 million posted in year 2008.

The positive turnaround was largely due to the improved income generated from its two main businesses of rubber compound manufacturing and provision of tyre retreading services. Besides that, the Group's consistent efforts in improving its cash flow management, cost/expense management as well as inventory management has further strengthened its financial position in year 2009.

B2. Comparison of the Current Quarter Results Against Preceding Quarter

	Current Quarter	Preceding Quarter
	ended 31.12.09	ended 30.9.09
	RM'000	RM'000
Revenue	57,700	53,586
Profit for the period	682	1,141

The Group's revenue during the quarter under review stood at RM57.7 million, an improvement by RM4.1 million or 8% from RM53.6 million as recorded in the previous quarter whereas its profit after tax reduced to RM682,000 as compared to RM1.14 million posted in the previous quarter due to deferred tax and impairment of fixed assets amounting to RM2.6 million.

B3. Prospects

Generally, the local retreading industry's outlook remain positive whilst gaining stronger acceptance in emerging markets such as China and Indonesia despite the slow recovery of the global economic downturn in year 2008. This is in line with the Group's on-going plan in Indonesia via a joint venture partnership in setting up a a company to carry out the sales and distribution network of rubber compound materials and pre cured tread liners as well as the relocation of its existing production facilities in Suzhou to Nantong, China. Moving forward, the Management of the Group is in view that the Group's outlook in year 2010 will continue to prosper.

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
	31.12.09	Ended
	RM'000	RM'000
Taxation		
- Current year	653	1,564
Total taxation	<u>653</u>	<u>1,564</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 for the current quarter and financial period to-date. However, there was disposal of properties for a total cash consideration of RM2.78 million on 28 December 2009.

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 31 December 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	9,649	24,812	34,461
- Bonds (RM)	7,000	-	7,000
	<u>16,649</u>	<u>24,812</u>	<u>41,461</u>
Long term borrowings			
- Local currency (RM)	8,631	-	8,631
- Bonds (RM)	60,000	-	60,000
	<u>68,631</u>	<u>-</u>	<u>68,631</u>
Total	<u>85,280</u>	<u>24,812</u>	<u>110,092</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 31.12.09 RM'000
Forward foreign exchange contracts	<u>4,220</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 31.12.09	Cumulative Period-to-date Ended 31.12.09
<u>Basic EPS</u>		
Net profit attributable to the shareholders (RM'000)	636	2,583
Weighted average number of shares ('000)	80,377	80,377
Basic Earnings/(Loss) Per Share (sen)	0.79	3.21

Diluted EPS

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding for the current quarter and financial period to-date.

By order of the Board

GOODWAY INTEGRATED INDUSTRIES BERHAD

Koon Wai Ye

Company Secretary (MAICSA 7048269)

Shah Alam

25 February 2010