



**GOODWAY INTEGRATED INDUSTRIES BERHAD**

(Company No: 618972-T)  
(Incorporated in Malaysia)

**Interim Financial Statement for the Period  
Ended 30 June 2011**



**CONSOLIDATED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2011**  
*(The figures have not been audited)*

| RM'000   | 3 months ended     |                    | 6 months ended     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 30.06.2011         | 30.06.2010         | 30.06.2011         | 30.06.2010         |
|  | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Revenue  | 68,927             | 60,251             | 125,535            | 118,338            |
| Cost of sales  | (61,004)           | (50,653)           | (111,289)          | (99,735)           |
| <b>Gross profit</b>  | 7,923              | 9,598              | 14,246             | 18,603             |
| Other operating income   | 33                 | 680                | 3,187              | 799                |
| Operating expense  | (4,607)            | (6,920)            | (10,500)           | (12,945)           |
| <b>Operating profit</b>  | 3,349              | 3,358              | 6,933              | 6,457              |
| Finance cost   | (1,963)            | (1,092)            | (3,767)            | (2,911)            |
| Interest income  | 38                 | 61                 | 69                 | 90                 |
| Finance cost – net   | (1,925)            | (1,031)            | (3,698)            | (2,821)            |
| Share of results of an associate   | 15                 | (152)              | 6                  | (226)              |
| Share of results of a jointly controlled entity                              | (55)               | (13)               | (55)               | (20)               |
| <b>Profit before tax</b>   | 1,384              | 2,162              | 3,186              | 3,390              |
| Taxation   | (332)              | 3                  | (93)               | (221)              |
| <b>Profit for the period</b>   | 1,052              | 2,165              | 3,093              | 3,169              |
| <b>Profit attributable to:</b>   |                    |                    |                    |                    |
| Equity holders of the parent   | 1,081              | 2,139              | 3,199              | 3,106              |
| Minority interest  | (29)               | 26                 | (106)              | 63                 |
|  | 1,052              | 2,165              | 3,093              | 3,169              |
| <b>Earnings per share attributable to equity holders of the parent (sen)</b> |                    |                    |                    |                    |
| - Basic earnings per share   | 1.22               | 2.42               | 3.62               | 3.62               |
| - Diluted earnings per share   | Nil                | Nil                | Nil                | Nil                |

*The above Consolidated Income Statements 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 2010.*



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2011**  
*(The figures have not been audited)*

| RM'000   | 3 months ended     |                    | 6 months ended     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 30.06.2011         | 30.06.2010         | 30.06.2011         | 30.06.2010         |
|  | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| <b>Profit for the period</b>   | 1,052              | 2,165              | 3,093              | 3,169              |
| <b>Other Comprehensive Income:</b>   |                    |                    |                    |                    |
| Net gain on financial assets or liabilities<br>designated at fair value through profit or loss | -                  | (133)              | -                  | (110)              |
| Foreign currency translation   | 872                | (675)              | 872                | (919)              |
| Interest expense for financial liability<br>at fair value                                      | (339)              | (321)              | (678)              | (636)              |
| Other comprehensive income for the period  | 533                | (1,129)            | 194                | (1,665)            |
| <b>Total comprehensive income for the period</b>   | <b>1,585</b>       | <b>1,036</b>       | <b>3,287</b>       | <b>1,504</b>       |
| <b>Total comprehensive income attributable to:</b>   |                    |                    |                    |                    |
| Equity holders of the parent   | 1,614              | 1,010              | 3,393              | 1,441              |
| Minority interest  | (29)               | 26                 | (106)              | 63                 |
|  | <b>1,585</b>       | <b>1,036</b>       | <b>3,287</b>       | <b>1,504</b>       |

*The above Consolidated Statement of Comprehensive Income 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 2010.*



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

| <b>RM'000</b>  | <b>As at<br/>30.06.2011</b> | <b>As at<br/>31.12.2010</b> |
|--|-----------------------------|-----------------------------|
|  | <i>(Unaudited)</i>          | <i>(Audited)</i>            |
| <b>ASSETS</b>  |                             |                             |
| Property, plant and equipment                            | 91,266                      | 95,465                      |
| Intangible Assets  | 6,533                       | 6,737                       |
| Investment in jointly controlled entity                  | 1,307                       | 228                         |
| Investment in associate company                          | 234                         | 1,362                       |
| Other Receivables, Deposit, Prepayments                  | -                           | 80                          |
| <b>Total non-current assets</b>                          | <b>99,340</b>               | <b>103,872</b>              |
| Inventories  | 53,717                      | 46,097                      |
| Receivables, Deposit, Prepayments & Staff Advances       | 75,443                      | 57,375                      |
| Tax recoverable  | 2,194                       | 69                          |
| Forward contract assets                                  | 5                           | 110                         |
| Assets held for sales                                    | -                           | 5,976                       |
| Cash and cash equivalents                                | 9,132                       | 10,807                      |
| <b>Total current assets</b>                              | <b>140,491</b>              | <b>120,434</b>              |
| <b>TOTAL ASSETS:</b>                                     | <b>239,831</b>              | <b>224,306</b>              |
| <b>EQUITY AND LIABILITIES</b>                            |                             |                             |
| Share capital  | 44,208                      | 44,208                      |
| Reserves   | 14,269                      | 14,075                      |
| Retained earnings  | 22,377                      | 19,178                      |
| <b>Equity attributable to equity owner of the parent</b> | <b>80,854</b>               | <b>77,461</b>               |
| <b>Non-controlling interest</b>                          | <b>452</b>                  | <b>558</b>                  |
| <b>Total equity</b>                                      | <b>81,306</b>               | <b>78,019</b>               |
| Loan and borrowings                                      | 42,959                      | 56,374                      |
| Deferred tax liabilities                                 | 6,131                       | 5,981                       |
| <b>Total non-current liabilities</b>                     | <b>49,090</b>               | <b>62,355</b>               |
| Payables and Accruals                                    | 22,779                      | 22,037                      |
| Forward contract liabilities                             | -                           | 86                          |
| Loan and borrowings                                      | 86,320                      | 61,082                      |
| Taxation   | 336                         | 727                         |
| Proposed dividend  | -                           | -                           |
| <b>Total current liabilities</b>                         | <b>109,435</b>              | <b>83,932</b>               |
| <b>Total liabilities</b>                                 | <b>158,525</b>              | <b>146,287</b>              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>239,831</b>              | <b>224,306</b>              |
| <b>Net Assets per share (RM)</b>                         | <b>0.92</b>                 | <b>0.88</b>                 |

The above 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 2010.

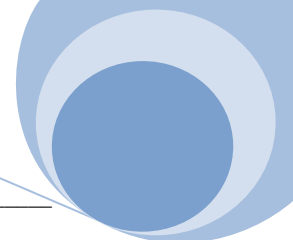


**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2010  
(The figures have not been audited)**

← Attributable to equity holders of the Company →  
← Non-distributable → Distributable

| RM'000   | Share<br>capital | Share<br>premium | Translation<br>reserve | Revaluation<br>reserve | Share<br>option<br>reserve | Hedging<br>reserve | Fair<br>value<br>reserve | Retained<br>earnings | Total  | Minority<br>Interests | Total  |
|--|------------------|------------------|------------------------|------------------------|----------------------------|--------------------|--------------------------|----------------------|--------|-----------------------|--------|
| <b>At 1 January 2010,<br/>as previously stated</b> | 40,189           | 11,143           | 1,060                  | 2,473                  | 222                        | -                  | -                        | 12,048               | 67,135 | 721                   | 67,856 |
| Effect of adopting FRS 139                         | -                | -                | -                      | -                      | -                          | -                  | -                        | 2,337                | 2,337  | -                     | 2,337  |
| <b>At 1 January 2010, as restated</b>              | 40,189           | 11,143           | 1,060                  | 2,473                  | 222                        | -                  | -                        | 14,385               | 69,472 | 721                   | 70,193 |
| Total comprehensive income<br>for the period       | -                | -                | (919)                  | -                      | -                          | (110)              | (636)                    | 3,106                | 1,441  | -                     | 1,441  |
| <b>Transactions with owners:</b>                   |                  |                  |                        |                        |                            |                    |                          |                      |        |                       |        |
| - Share issued                                     | 4,019            | 132              | -                      | -                      | -                          | -                  | -                        | -                    | 4,151  | -                     | 4,151  |
| <b>At 30 June 2010</b>                             | 44,208           | 11,275           | 141                    | 2,473                  | 222                        | (110)              | (636)                    | 17,491               | 75,064 | 721                   | 75,785 |
| <b>At 1 January 2011</b>                           | 44,208           | 11,262           | 1,627                  | 2,473                  | -                          | -                  | (1,287)                  | 19,178               | 77,461 | 558                   | 78,019 |
| Total comprehensive income<br>for the period       | -                | -                | 872                    | -                      | -                          | -                  | (678)                    | 3,199                | 3,393  | (106)                 | 3,287  |
| <b>At 30 June 2011</b>                             | 44,208           | 11,262           | 2,499                  | 2,473                  | -                          | -                  | (1,965)                  | 22,377               | 80,854 | 452                   | 81,306 |

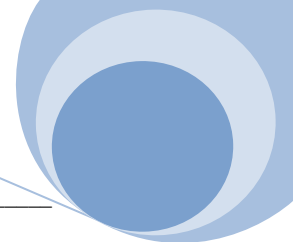
The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2010.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2011**  
*(The figures have not been audited)*

| RM'000   | 6 months ended            |                           |
|--|---------------------------|---------------------------|
|  | 30.06.2011<br>(Unaudited) | 30.06.2010<br>(Unaudited) |
| <b>Cash flows from operating activities</b>                  |                           |                           |
| Profit before taxation                                       | 3,186                     | 3,390                     |
| Adjustments for non-cash items:                              | 1,333                     | 9,609                     |
| Operating profit before working capital changes              | 4,519                     | 12,999                    |
| Change in working capital:                                   |                           |                           |
| Inventories  | (7,549)                   | (4,872)                   |
| Receivables, deposits and prepayments                        | (9,111)                   | (9,988)                   |
| Payables   | 2,849                     | 7,125                     |
| Cash (used in)/generated from operations                     | (9,292)                   | 5,264                     |
| Interest received  | 69                        | 90                        |
| Interest paid  | (3,767)                   | (2,344)                   |
| Tax paid   | (2,495)                   | (19)                      |
| Net cash flow (used in)/generated from operating activities: | (15,485)                  | 2,991                     |
| <b>Cash flows from investing activities</b>                  |                           |                           |
| Purchase of property, plant and equipment                    | (1,940)                   | (860)                     |
| Proceeds from disposal of property, plant and equipment      | 636                       | -                         |
| Net cash flow used in investing activities                   | (1,304)                   | (860)                     |
| <b>Cash flows from financing activities:</b>                 |                           |                           |
| Drawdown/(repayment) of borrowings                           | 12,863                    | (2,933)                   |
| Repayment of hire purchase creditors                         | (209)                     | (373)                     |
| Net cash flow generated from/(used in) financing activities  | 12,654                    | (3,306)                   |
| <b>Net changes in cash and cash equivalents</b>              | (4,135)                   | (1,175)                   |
| <b>Effect of exchange rate fluctuation on cash held</b>      | 126                       | (885)                     |
| <b>Cash and cash equivalents at beginning of period</b>      | 10,223                    | 12,628                    |
| <b>Cash and cash equivalents at end of period</b>            | 6,214                     | 10,568                    |
| <b>Cash and cash equivalents comprises of:</b>               |                           |                           |
| Cash and bank balances                                       | 9,132                     | 11,332                    |
| Bank Overdraft   | (2,918)                   | (764)                     |
|  | 6,214                     | 10,568                    |

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes to the interim financial statements and latest audited financial statements for the year ended 31 December 2010.



**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENT**

**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 FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Rule 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

**A2. Changes in Accounting Policies**

The accounting policies and method of computation adopted by the Group in this statement are consistent with those adopted in the financial statements for the year ended 31 December 2010 except for the adoption of the following Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2011.

|  |  |
|--|--|
| FRS 3  | - Business combination (revised)                       |
| FRS 7  | - Consolidated and Separate Financial Statement        |
| Amendments to FRS 2  | - Share-based Payment                                  |
| Amendments to FRS 2  | - Group Cash –settled Share based Payment Transactions |
| Amendment to FRS 7   | - Improving Disclosures about Financial Instruments    |
| Amendment to FRS 132   | - Financial Instruments: Presentation                  |
| Amendment to FRS 138   | - Intangible Assets                                    |
| Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139, and Amendments to IC Interpretation 13 | - Improvements to FRSs (2010)                          |
| Amendments to IC   | - Reassessment of Embedded Derivatives                 |

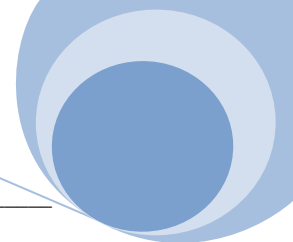
Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group.

***New/revised FRSs, Amendments to FRSs and Issue Committee Interpretations ("IC Interpretations") that are issued but not yet effective***

The Group has not adopted the following new/revised FRSs and IC Interpretations (including its consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

| New/revised FRSs, Amendments to FRSs and IC Interpretations |   | Effective for financial periods beginning on or after |
|---|---|---|
| Amendments to FRS 124                                       | Related Party Disclosures                                   | 1 January 2012  |
| IC Interpretation 19  | Extinguishing Financial Liabilities with Equity Instruments | 1 July 2011   |
| Amendments to IC Interpretation 14                          | Prepayments of a Minimum Funding Requirement                | 1 July 2011   |

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation, is, however, not applicable to the Group.



**A3. Audit Report of Preceding Annual Financial Statements**

The audit report of the Group's Financial Statements for the year ended 31 December 2010 was not subject to any qualifications.

**A4. Seasonality or Cyclical**

The Group's performance is not materially affected by seasonal 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 2010.

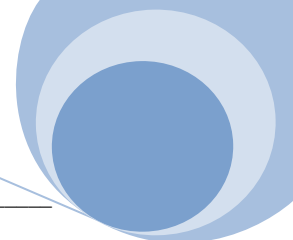
**A7. Debt and Equity Securities**

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

**A8. Dividend Paid**

No dividend was paid during the current period under review.





**A9. Segment Reporting**

Segmental information for the current period under review was as follow:-

|   | <b>Compounding</b> | <b>Retreading</b> | <b>Others</b> | <b>Consolidation<br/>Adjustment</b> | <b>6 months ended<br/>30.06.2011</b> |
|---|--------------------|-------------------|---------------|-------------------------------------|--------------------------------------|
|   | <b>RM'000</b>      | <b>RM'000</b>     | <b>RM'000</b> | <b>RM'000</b>                       | <b>RM'000</b>                        |
| External Revenue  | 88,814             | 36,721            | -             | -                                   | 125,535                              |
| Inter-Segment Revenue   | 36,858             | 1,623             | -             | (38,481)                            | -                                    |
| <b>Total Revenue</b>  | <b>125,672</b>     | <b>38,344</b>     | <b>-</b>      | <b>(38,481)</b>                     | <b>125,535</b>                       |
| Overseas Revenue  | 75,293             | 4,931             | -             | (17,668)                            | 62,556                               |
| Local Revenue   | 50,379             | 33,413            | -             | (20,813)                            | 62,979                               |
| <b>Total Revenue</b>  | <b>125,672</b>     | <b>38,344</b>     | <b>-</b>      | <b>(38,481)</b>                     | <b>125,535</b>                       |
| Segment Results   | 6,703              | 5,110             | (476)         | (603)                               | <b>10,734</b>                        |
| Interest Income   | 69                 | -                 | 1,613         | (1,613)                             | <b>69</b>                            |
| Depreciation and Amortisation   | (2,259)            | (1,450)           | (92)          | -                                   | <b>(3,801)</b>                       |
| Finance Cost  | (1,517)            | (1,870)           | (1,993)       | 1,613                               | <b>(3,767)</b>                       |
| Share of Profit in Associate<br>Company                               | -                  | -                 | -             | 6                                   | <b>6</b>                             |
| Share of Profit in Jointly<br>Controlled Entity                       | -                  | -                 | -             | (55)                                | <b>(55)</b>                          |
| Profit Before Taxation  | 2,996              | 1,790             | (948)         | (652)                               | <b>3,186</b>                         |
| Taxation  | (434)              | (95)              | -             | 436                                 | <b>(93)</b>                          |
| <b>Non-Controlling Interests</b>                                      | <b>(103)</b>       | <b>209</b>        | <b>-</b>      | <b>-</b>                            | <b>106</b>                           |
| <b>Profit for The Period<br/>Attributable to Owners of<br/>Parent</b> | <b>2,459</b>       | <b>1,904</b>      | <b>(948)</b>  | <b>(216)</b>                        | <b>3,199</b>                         |

**A10. Valuation of Property, Plant and Equipment**

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

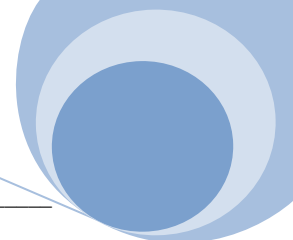
**A11. Subsequent Events**

On 21 July 2011, the Company made a bonus issue of 22,103,500 new ordinary shares of RM0.50 each on the basis of one (1) bonus share for every four (4) existing shares held and the issued and paid-up share capital of the company has increased from 88,414,000 ordinary shares of RM0.50 each to 110,517,500 ordinary shares of RM0.50 each. The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

Other than as disclosed above, there were no material events subsequent to the end of the period that have not been reflected in the financial report for current period under review.

**A12. Changes in the Composition of the Group**

There was no change in the composition of the Group for the current period under review.



**A13. Contingent Liabilities and Contingent Assets**

|   | As at<br>30.06.2011<br>RM'000 | As at<br>31.12.2010<br>RM'000 |
|---|-------------------------------|-------------------------------|
| <b>Contingent liabilities</b>                                     |                               |                               |
| Corporate guarantee for credit facilities granted to subsidiaries | 43,867                        | 31,979                        |

Save as disclosed above, there were no material changes in contingent liabilities and contingents assets since the last audited financial statement for the year ended 31 December 2010.

**A14. Capital Commitments**

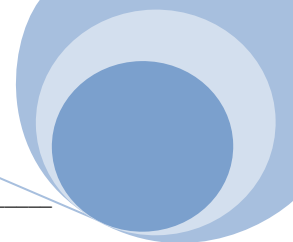
There are no outstanding capital commitments during the current period under review.

**A15. Recurrent Related Party Transactions**

The following are the Group's recurrent related transactions:

|   | <b>3 months ended<br/>30.06.2011<br/>RM'000</b> | <b>6 months ended<br/>30.06.2011<br/>RM'000</b> |
|---|---|---|
| Transactions with a company connected to a Director |   |   |
| - Supplying rubber compound and accessories         | 2,839   | 5,150   |
| - Supplying tyre casing and stock retread           | 5   | 45  |

Related Party Transactions have 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. Review of Performance**

|                  | <b>3 months ended</b> |                   | <b>6 months ended</b> |                   |
|------------------|-----------------------|-------------------|-----------------------|-------------------|
|                  | <b>30.06.2011</b>     | <b>30.06.2010</b> | <b>30.06.2011</b>     | <b>30.06.2010</b> |
|                  | <b>RM'000</b>         | <b>RM'000</b>     | <b>RM'000</b>         | <b>RM'000</b>     |
| Revenue          | 68,927                | 60,251            | 125,535               | 118,338           |
| Profit after tax | 1,052                 | 2,165             | 3,093                 | 3,169             |

During the quarter under review, the Group revenue increased RM8.7 million to RM68.9 million which mainly attributable to higher sales in the rubber compounding segment. Despite higher sales, the profit after tax reported at RM1.1 million, reduced by 51% as compared to previous year corresponding quarter. This was mainly due to increase of raw material cost.

The group reported higher revenue of RM125.5 million, improved by RM7.2 million for the financial period ended 30 June 2011 compared to previous corresponding period. However, the profit after tax registered at RM3.1 million which was 2% lower than the previous corresponding period. Higher demand on compounding rubber has improved the sales for the group but offset by lower profit contributed by the retreading business.

**B2. Variation of Results against Preceding Quarter**

|                  | <b>3-mth ended</b> | <b>3-mth ended</b> |
|------------------|--------------------|--------------------|
|                  | <b>30.06.2011</b>  | <b>31.03.2011</b>  |
|                  | <b>RM'000</b>      | <b>RM'000</b>      |
| Revenue          | 68,927             | 56,608             |
| Profit after tax | 1,052              | 2,041              |

The Group's revenue during the quarter under review recorded at RM68.9 million represented an increase of 22% from RM56.6 million of the preceding quarter of this year.

Profit after tax reported at RM1.1 million, reduced by RM0.9 million as compared to RM2.0 million posted in the preceding quarter. There was gain on disposal of property in the preceding quarter contributed to higher profit.

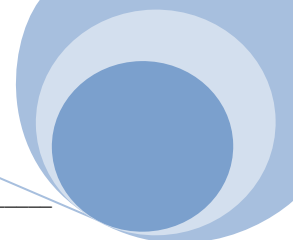
**B3. Prospects**

The Board is optimistic of the Group's prospects in the coming year, as the demand for rubber compound and retread tyres services are expected to improve.

The Group will continue to strengthen its market presence base locally and globally through extensive sales and marketing efforts while maintaining on-going cost control measures.

**B4. Profit Forecast**

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



**B5. Taxation**

Taxation comprises the following:-

|                                  | 3 months ended |            | 6 months ended |              |
|----------------------------------|----------------|------------|----------------|--------------|
|                                  | 30.06.2011     | 30.06.2010 | 30.06.2011     | 30.06.2010   |
|                                  | RM'000         | RM'000     | RM'000         | RM'000       |
| Current tax (expense)/ credit    | (367)          | 3          | (529)          | (221)        |
| Deferred taxation                | 35             | -          | 436            | -            |
| Total taxation (expense)/ credit | <u>(332)</u>   | <u>3</u>   | <u>(93)</u>    | <u>(221)</u> |

Save for the provision for deferred tax, the effective tax rate of the Group for the current period under review is lower than the statutory tax rate as certain subsidiaries has sufficient unabsorbed tax allowances to offset against its taxable profit.

**B6. Unquoted Investments and Properties**

There were no sales of unquoted investment for the current period under review.

During the financial period under review, Big Wheel (Malaysia) Sdn Bhd, a wholly-owned subsidiary, disposed a property located at Lot 1&3, Jalan Rivet 15/15, Seksyen 15, 40000 Shah Alam for a cash consideration of RM8.5 million. The gain on disposal of the said property was recorded at RM2.5 million.

**B7. Quoted Securities**

There were no purchases or disposals of quoted securities for the current period under review.

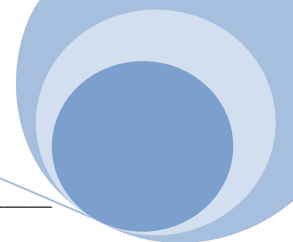
**B8. Corporate Proposal**

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

**B9. Group Loans and Borrowings**

The Group borrowings as at 30 June 2011 are as follows:-

|                         | As at<br>30.06.2011<br>(unaudited)<br>RM'000 | As at<br>31.12.2010<br>(Audited)<br>RM'000 |
|-------------------------|--|--|
| <b>Non-Current</b>      |  |  |
| -Borrowings (secured)   | 3,332  | 7,501                                      |
| -Sukuk (Bonds-secured)  | 40,000                                       | 50,000                                     |
| -Effect under FRS 139   | (373)  | (1,127)                                    |
|                         | <u>42,959</u>                                | <u>56,374</u>                              |
| <b>Current</b>          |  |  |
| -Borrowings (secured)   | 17,979                                       | 19,085                                     |
| -Borrowings (unsecured) | 65,424                                       | 31,997                                     |
| - Sukuk (Bonds-secured) | 2,918  | 10,000                                     |
|                         | <u>86,320</u>                                | <u>61,082</u>                              |
| <b>Total</b>            | <u>129,279</u>                               | <u>117,456</u>                             |



**B10. Financial Instruments**

Forward foreign exchange contracts are entered into by the Group in currencies other than the functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value are recognised in profit or loss.

The outstanding forward foreign exchange contract as at 30 June 2011 is as follows:-

| Type of Forward Contract                                      | Contract/<br>Notional Value<br>RM'000 | Fair Value<br>RM'000 | Gain<br>RM'000 |
|---|---------------------------------------|----------------------|----------------|
| Forward foreign exchange contracts<br>- Not later than 1 year | 1,496                                 | 1,501                | 5              |

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

**B11. Material Litigation**

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

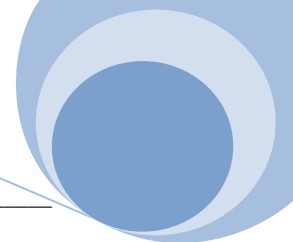
**B12. Proposed Dividend**

There was no dividend declared for the current period under review.

**B13. Retained Earnings**

The realised and unrealised profits of the Group are as follows:

|   | As at<br>30.06.2011<br>(Unaudited)<br>RM'000 | As at<br>31.12.2010<br>(Audited)<br>RM'000 |
|---|--|--|
| Retained Earnings                                 |  |  |
| - Realised  | 38,703                                       | 25,452                                     |
| - Unrealised                                      | (5,980)                                      | 6,190                                      |
| Share of losses from associated companies:        |  |  |
| - Realised  | (266)  | (272)                                      |
| Share of losses from jointly controlled entities: |  |  |
| - Realised  | (769)  | (714)                                      |
|   | <b>31,688</b>                                | <b>30,656</b>                              |
| Less: Consolidated adjustments                    | (9,311)                                      | (11,478)                                   |
|   | <b>22,377</b>                                | <b>19,178</b>                              |



**B14. Earnings Per Ordinary Share (EPS)**

|   | <b>3 months ended</b> |                   | <b>6 months ended</b> |                   |
|---|-----------------------|-------------------|-----------------------|-------------------|
|   | <b>30.06.2011</b>     | <b>30.06.2010</b> | <b>30.06.2011</b>     | <b>30.06.2010</b> |
|   | RM'000                | RM'000            | RM'000                | RM'000            |
| <b><u>Basic EPS</u></b>                             |                       |                   |                       |                   |
| Net Profit attributable to the owner of the Company | <b>1,081</b>          | <b>2,139</b>      | 3,199                 | <b>3,106</b>      |
| Weighted average number of ordinary share           | 88,414                | 88,414            | 88,414                | 88,414            |
| <b>Basic earnings per share (sen)</b>               | <b>1.22</b>           | <b>2.42</b>       | <b>3.62</b>           | <b>3.62</b>       |

**Diluted EPS**

Not applicable as the Company does not have dilutive ordinary shares in issue as at the reporting date.

By order of Board  
**GOODWAY INTEGRATED INDUSTRIES BERHAD**

FOO SIEW LOON  
Company Secretary (MAICSA 7006874)  
Selangor Darul Ehsan

25 August 2011