



GOODWAY INTEGRATED INDUSTRIES BERHAD

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

**Interim Financial Statement for the Period
Ended 31 March 2014**



CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014
(The figures have not been audited)

RM'000	3 months ended		3 months ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	58,229	73,195	58,229	73,195
Cost of sales	(51,793)	(63,730)	(51,793)	(63,730)
Gross profit	6,436	9,465	6,436	9,465
Operating expense	(4,744)	(5,326)	(4,744)	(5,326)
Operating profit	1,692	4,139	1,692	4,139
Finance cost	(1,088)	(1,204)	(1,088)	(1,204)
Interest income	31	50	31	50
Finance cost – net	(1,057)	(1,154)	(1,057)	(1,154)
Share of results of an associate	8	(38)	8	(38)
Share of results of a jointly controlled entity	-	(60)	-	(60)
Profit before tax	643	2,887	643	2,887
Taxation	(617)	(1,066)	(617)	(1,066)
Profit for the period	26	1,821	26	1,821
Profit attributable to:				
Owners of the Company	(11)	1,784	(11)	1,784
Non-Controlling interest	37	37	37	37
	26	1,821	26	1,821
Earnings per share attributable to equity holders of the parent (sen)				
- Basic earnings per share	(0.01)	1.61	(0.01)	1.61
- 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 2013.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2014
(The figures have not been audited)

RM'000	3 months ended		3 months ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	26	1,821	26	1,821
Other Comprehensive Income:				
Foreign currency translation	646	299	646	299
Other comprehensive income for the period	646	299	646	299
Total comprehensive income for the period	672	2,120	672	2,120
Total comprehensive income attributable to:				
Owners of the Company	635	2,083	635	2,083
Non-Controlling interest	37	37	37	37
	672	2,120	672	2,120

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 2013.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

RM'000	As at 31.3.2014	As at 31.12.2013
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	77,775	79,535
Land held for development	7,412	7,412
Intangible Assets	6,548	6,673
Investment in associate company	82	75
Total non -current assets	91,817	93,695
Property development expenditure	28,938	28,938
Inventories	44,457	52,518
Receivables, Deposit, Prepayments & Staff Advances	86,853	81,108
Tax recoverable	1,282	371
Cash and cash equivalents	20,035	14,462
Total current assets	181,565	177,397
TOTAL ASSETS:	273,382	271,092
EQUITY AND LIABILITIES		
Share capital	55,259	55,259
Reserves	4,728	4,082
Retained earnings	31,175	31,186
Owners of the Company	91,162	90,527
Non-Controlling interest	1,093	1,057
Total equity	92,255	91,584
Loan and borrowings	54,821	56,569
Deferred tax liabilities	6,535	6,685
Total non -current liabilities	61,356	63,254
Payables and Accruals	33,944	38,261
Loan and borrowings	83,827	76,477
Taxation	2,000	1,516
Total current liabilities	119,771	116,254
Total liabilities	181,127	179,508
TOTAL EQUITY AND LIABILITIES	273,382	271,092
Net Assets per share (RM)	0.83	0.82

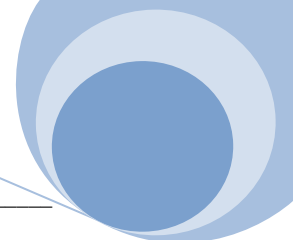
The above Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2013.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2014**
(The figures have not been audited)

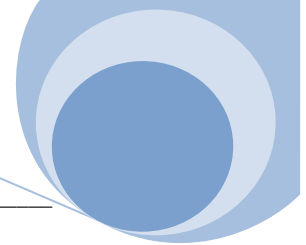
RM'000	Attributable to the owners of the Company								Total	Non-Controlling	
	Share capital	Share premium	Translation reserve	Revaluation reserve	Share option reserve	Hedging reserve	Fair value reserve	Retained earnings		Total	Interests
At 1 January 2013, as previously stated	55,259	211	(540)	9,181	-	-	-	28,246	92,357	779	93,136
Effect of adopting FRS 139	-	-	-	-	-	-	-	(1,627)	(1,627)	-	(1,627)
At 1 January 2013, as restated	55,259	211	(540)	9,181	-	-	-	26,619	90,730	779	91,509
Total comprehensive income for the period	-	-	(1,477)	(3,293)	-	-	-	5,767	997	278	1,275
Transactions with owners:											
- Interim dividend to shareholders								(1,200)	(1,200)		(1,200)
At 31 December 2013	55,259	211	(2,017)	5,888	-	-	-	31,186	90,527	1,057	91,584
At 1 January 2014	55,259	211	(2,017)	5,888	-	-	-	31,186	90,527	1,057	91,584
Total comprehensive income for the period		-	646	-	-	-	-	(11)	635	36	671
At 31 March 2014	55,259	211	(1,371)	5,888	-	-	-	31,175	91,162	1,093	92,255

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 2013.



CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014
(The figures have not been audited)

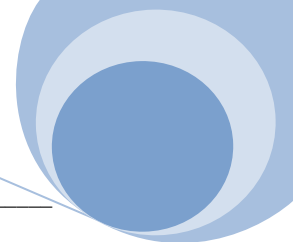
RM'000	3 months ended 31.12.2014 (Unaudited)	12 month ended 31.12.2013 (Audited)
Cash flows from operating activities		
Profit before taxation	643	6,869
Adjustments for non-cash items:	4,411	13,180
Operating profit before working capital changes	5,054	20,049
Changes in working capital:		
Decrease in proproperty development expenditure	-	(197)
Inventories	8,061	(2,939)
Receivables, deposits and prepayments	(5,745)	(2,770)
Payables	(5,946)	990
Cash (used in)/generated from operations	1,424	15,133
Interest received	31	121
Interest paid	(1,088)	(5,570)
Tax paid	(1,044)	(1,692)
Net cash flow (used in)/generated from operating activities:	(677)	7,992
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(22,735)
Proceeds from disposal of property, plant and equipment	-	454
Net cash flow (used in)/generated from investing activities	-	(22,281)
Cash flows from finance activities:		
Dividend paid	-	(1,200)
Net drawdown / (repayment) on term loan and islamic financing	(1,656)	12,018
Proceeds from bill payables	8,130	9,100
Net drawdown/(repayment) of hire purchase creditors	41	(409)
Net cash flow generated from/(used in) financing activities	6,515	19,509
Net changes in cash and cash equivalents		
Exchange differences on translation of foreign subsidiary	646	(524)
Cash and cash equivalents at beginning of period	7,570	2,874
Cash and cash equivalents at end of period	14,054	7,570



CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014 (CONT'D)
(The figures have not been audited)

RM'000	3 months ended 31.12.2014 (Unaudited)	12 month ended 31.12.2013 (Audited)
Cash and cash equivalents comprises of:		
Cash and bank balances	20,035	14,462
Bank Overdraft	(5,981)	(6,892)
	14,054	7,570

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 2013.



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENT

A1. Basis of Preparation

This interim financial statement is unaudited and has been prepared with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134, “Interim Financial Reporting” and Rule 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013 and the accompanying explanatory notes attached to the audited financial statements.

A2. Changes in Accounting Policies

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 January 2013 did not have segmental effect on the financial performance, position or presentation of financials of the Group.

Amendments to MFRS 1	Government Loan
Amendments to MFRS 1	Annual Improvements 2009-2011 Cycle
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint arrangements and Disclosure of Interests in Other Entities: Transition Guidance
MFRS 13	Fair Value Measurement
Amendments to MFRS 101	Annual Improvements 2009-2011 Cycle
Amendments to MFRS 116	Annual Improvements 2009-2011 Cycle
MFRS 119 (as revised in 2011)	Employee Benefits
MFRS 127 (as revised in 2011)	Separate Financial Statements
Amendments to MFRS 132	Annual Improvements 2009-2011 Cycle

MFRS and Amendments to MFRS that is applicable to the Group but not yet effective

The Group did not adopt the following standards that have been issued by the Malaysian Accounting Standards Board as these are effective for the financial period beginning on or after 1 January 2014:

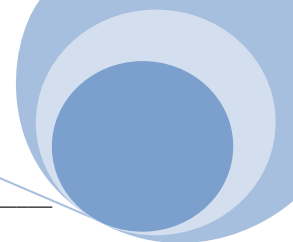
MFRS 9	Financial Instruments (effective from 1 January 2015)
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 132	Annual Improvements 2009-2011 Cycle
MFRS 134	Annual Improvements 2009-2011 Cycle

A3. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's Financial Statements for the year ended 31 December 2013 was not subject to any qualifications.

A4. Seasonal or Cyclical Factors

The Group's performance was 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 2013.

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.

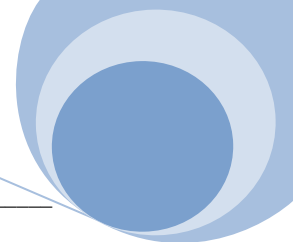
A8. Dividend Paid

There was no dividend paid by the Company during the quarter under review.

A9. Segment Reporting

Segmental information for the period under review was as follows:-

	Compounding	Retreading	Others	Consolidation Adjustment	3 months ended 31.1.2014	3 months ended 31.1.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	43,465	14,764	-	-	58,229	73,195
Inter-Segment Revenue	5,291	15	-	(5,306)	-	-
Total Revenue	48,756	14,779	-	(5,306)	58,229	73,195
Overseas Revenue	28,939	400	-	(3,833)	25,506	28,746
Local Revenue	19,817	14,379	-	(1,473)	32,723	44,449
Total Revenue	48,756	14,779	-	(5,306)	58,229	73,195
Segment Results	3,528	680	(637)	-	3,571	5,739
Interest Income	31	-	-	-	31	50
Depreciation and Amortisation	(1,194)	(685)	-	-	(1,879)	(1,600)
Finance Cost	(733)	(355)	-	-	(1,088)	(1,204)
Share of Profit in Associate Company	-	-	-	8	8	(38)
Share of Profit in Jointly Controlled Entity	-	-	-	-	-	(60)
Profit Before Taxation	1,632	(360)	(637)	8	643	2,887
Taxation	(579)	(38)	-	-	(617)	(1,066)
Non-Controlling Interests Profit for The Period	(30)	(7)	-	-	(37)	(37)
Attributable to the Owners of the Company	1,023	(405)	(637)	8	(11)	1,784



A10. Valuation of Property, Plant and Equipment

The freehold and leasehold land and buildings of the Group were revalued based on professional valuations made by JS Valuers Property Consultants (E.M.) Sdn Bhd. And Messrs KGV International Property Consultants (M) Sdn. Bhd., on open market value basis conducted in 2012.

A11. Subsequent Events

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

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the period under review.

A13. Contingent Liabilities and Contingent Assets

	As at 31.1.2014 RM'000	As at 31.12.2013 RM'000
Contingent liabilities		
Corporate guarantee for credit facilities granted to subsidiaries	82,187	73,464

Save as disclosed above, there were no material changes in contingent liabilities and contingent assets since the last audited financial statement for the year ended 31 December 2013.

A14. Capital Commitments

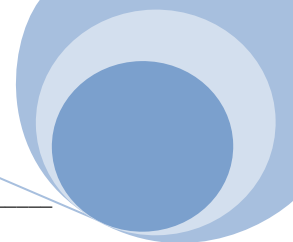
There are no outstanding capital commitments during the period under review.

A15. Recurrent Related Party Transactions

The Group's recurrent related party transactions are as follows:

	3 months ended 31.1.2014 RM'000	YTD 12 months ended 31.12.2013 RM'000
Transactions with a company connected to a Director		
- Supplying rubber compound and accessories	2,138	10,944

Related Party Transactions have been entered into in the ordinary course of business based on normal commercial terms and at arm's length.



B. BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

	3 months ended		3 months ended	
	31.1.2014 RM'000	31.1.2013 RM'000	31.1.2014 RM'000	31.1.2013 RM'000
Revenue	58,229	73,195	58,229	73,195
Profit before tax	643	2,887	643	2,887

For the three months ended 31 March 2014, total revenues decreased by 20.4% to RM58.2 million from RM73.2 million while PBT registered a decrease of 77.7% to RM0.6 million from RM2.9 million respectively compared to preceding year's quarter ended 31 March 2013. The decrease in sales revenue for the quarter under review compared to the preceding year's quarter was mainly attributed to lower sales by both the Compounding and Retreading Businesses.

	Compounding Business (RM'000)	Retreading Business (RM'000)
Q1FY2014	43,466	14,763
Q1FY2013	55,077	18,118

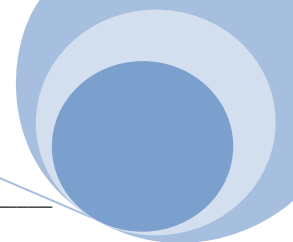
Current quarter registered a lower profit before tax of RM0.6 million as compared to RM2.9 million a year ago due to lower market demand.

B2. Variation of Results against Preceding Quarter

	3-mth ended 31.1.2014 RM'000	3-mth ended 31.12.2013 RM'000
Revenue	58,229	53,395
Profit / (Loss) before tax	643	(967)

Revenue increased by 9.0% from RM53.3 million reported in the immediate preceding quarter to RM58.2 million in the quarter under review as a result of higher sales reported for the Retreading Business.

The current quarter registered a Profit before tax of RM0.6 million, as compared to a Loss before tax of RM0.9 million posted in the preceding quarter due to improved market demand.



B3. Prospects

The Board is constantly working towards achieving a satisfactory Group performance in the current year as the demand for the Group's rubber compounding and retreading business segments are expected to improve.

B4. Profit before Taxation

Included in the (loss) / profit before taxation are the following items:

RM'000	3 months ended		3 months ended	
	31.1.2014 (Unaudited)	31.1.2013 (Unaudited)	31.1.2014 (Unaudited)	31.1.2013 (Unaudited)
Interest income	31	50	31	50
Gain on sale of property, plant and equipment	-	16	-	16
Interest expenses	(1,088)	(1,204)	(1,088)	(1,204)
Depreciation and amortisation	(1,879)	(1,600)	(1,879)	(1,600)
Write down of inventories	-	(1,400)	-	(1,400)
Gain/(Loss) on foreign exchange	67	29	67	29

B5. Profit Forecast

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

B6. Taxation

Taxation comprises the following:-

	3 months ended		3 months ended	
	31.1.2014 RM'000	31.1.2013 RM'000	31.1.2014 RM'000	31.1.2013 RM'000
Current tax (expense)/credit	(617)	(1,027)	(617)	(1,027)
Deferred taxation	-	(39)	-	(39)
Total taxation (expense)/credit	(617)	(1,066)	(617)	(1,066)

Domestic current income tax is calculated at the statutory tax rate of 25% of the taxable profit for the period. Taxation for other overseas subsidiaries is calculated at the rates prevailing in the respective jurisdictions.

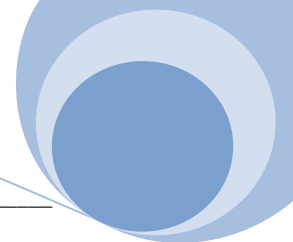
The higher tax rate for the current quarter was mainly due to:

- (a) certain expenses were not deductible for tax purposes
- (b) higher statutory corporate tax rate for certain foreign subsidiaries

B7. Corporate Proposals

The Company has on 18 April 2014 submitted to Bursa Malaysia Securities Berhad on the Proposed Diversification of business of the Group into property development and construction ("Proposed Diversification") and will seek shareholders' approval in the forthcoming Extraordinary General Meeting.

Save as disclosed above, there were no other corporate proposals announced as at the date of this report.



B8. Group Loans and Borrowings

The Group borrowings as at 31 March 2014 are as follows:-

RM'000	As at 31.1.2014	As at 31.12.2013
	(Unaudited)	(Audited)
Non-Current		
-Borrowings (secured)	1,492	1,584
-Term loan (secured)	53,329	54,985
	54,821	56,569
Current		
-Borrowings (secured)	75,192	67,842
-Term loan (secured)	8,635	8,635
	83,827	76,477
Total	138,648	133,046

B9. 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 values with changes in fair values being recognised as profit or loss.

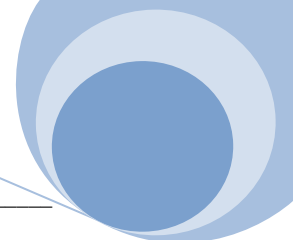
The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

B10. Material Litigation

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

B11. Proposed Dividend

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



B12. Retained Earnings

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

RM'000	As at 31.1.2014 (Unaudited)	As at 31.12.2013 (Audited)
Retained Earnings		
-Realised	77,130	97,265
-Unrealised	(6,535)	(6,685)
Share of losses from jointly controlled entities:		
-Realised	(417)	(425)
	70,178	90,155
Less: Consolidation adjustments	(39,003)	(58,969)
	31,175	31,186

B13. Earnings Per Ordinary Share (EPS)

	3 months ended		3 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
<u>Basic EPS</u>				
Net (Loss) / Profit attributable to the owner of the Company	(11)	1,784	(11)	1,784
Weighted average number of ordinary share	110,518	110,518	110,518	110,518
Basic earnings per share (sen)	(0.01)	1.61	(0.01)	1.61

Diluted EPS

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

By order of the Board
GOODWAY INTEGRATED INDUSTRIES BERHAD
 FOO SIEW LOON
 Company Secretary (MAICSA 7006874)
 Selangor Darul Ehsan

Date: 26 May 2014