



GOODWAY INTEGRATED INDUSTRIES BERHAD

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

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



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

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	53,535	53,395	216,877	265,771
Cost of sales	(50,327)	(44,088)	(191,540)	(229,888)
Gross profit	3,208	9,307	25,337	35,883
Operating expense	(11,006)	(8,368)	(30,798)	(23,444)
Operating (loss) / profit	(7,798)	939	(5,461)	12,439
Finance cost	(2,103)	(1,923)	(5,622)	(5,569)
Interest income	62	23	133	121
Finance cost – net	(2,041)	(1,900)	(5,489)	(5,448)
Share of results of an associate	19	(64)	126	(122)
Share of results of a jointly controlled entity	-	58	-	-
(Loss) / Profit before tax	(9,820)	(967)	(10,824)	6,869
Taxation	764	1,968	(836)	(824)
(Loss) / Profit for the period	(9,056)	1,001	(11,660)	6,045
(Loss) / Profit attributable to:				
Owners of the Company	(8,938)	864	(11,715)	5,767
Non-Controlling interest	(118)	137	55	278
	(9,056)	1,001	(11,660)	6,045
(Loss) / Earnings per share attributable to equity holders of the parent (sen)				
- Basic (loss) / earnings per share	(8.09)	0.78	(10.60)	5.22
- Diluted (loss) / 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 30 SEPTEMBER 2014
(The figures have not been audited)

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Loss) / Profit for the period	(9,056)	1,001	(11,660)	6,045
Other Comprehensive Losses:				
Foreign currency translation	310	(838)	13	(1,477)
Other comprehensive losses for the period	310	(838)	13	(1,477)
Total comprehensive losses / income for the period	(8,746)	163	(11,647)	4,568
Total comprehensive (losses) / income attributable to:				
Owners of the Company	(8,627)	26	(11,702)	4,290
Non-Controlling interest	(119)	137	55	278
	(8,746)	163	(11,647)	4,568

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 DECEMBER 2014

RM'000	As at 31.12.2014	As at 31.12.2013
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	85,479	79,535
Land held for development	7,412	7,412
Intangible Assets	6,605	6,673
Investment in associate company	201	75
Total non -current assets	99,697	93,695
Property development expenditure	29,337	28,938
Inventories	42,982	52,518
Receivables, Deposit, Prepayments & Staff Advances	86,312	81,108
Tax recoverable	3,073	371
Cash and cash equivalents	18,218	14,462
Total current assets	179,922	177,397
TOTAL ASSETS:	279,619	271,092
EQUITY AND LIABILITIES		
Share capital	55,259	55,259
Reserves	4,095	4,082
Retained earnings	19,471	31,186
Owners of the Company	78,825	90,527
Non-Controlling interest	752	1,057
Total equity	79,577	91,584
Loan and borrowings	52,456	56,569
Deferred tax liabilities	6,585	6,685
Total non -current liabilities	59,042	63,254
Payables and Accruals	53,390	38,261
Loan and borrowings	86,872	76,477
Taxation	738	1,516
Total current liabilities	141,000	116,254
Total liabilities	200,042	179,508
TOTAL EQUITY AND LIABILITIES	279,619	271,092
Net Assets per share (RM)	0.72	0.82

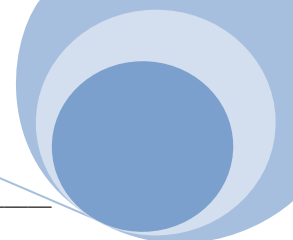
The above Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2013.



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

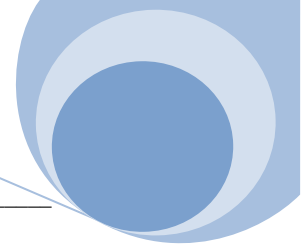
RM'000	Attributable to the owners of the Company								Total	Non-Controlling		Total
	Non-distributable				Distributable					Interests		
	Share capital	Share premium	Translation reserve	Revaluation reserve	Share option reserve	Hedging reserve	Fair value reserve	Retained earnings				
At 1 January 2013, 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 (losses) / income for the period		-	13	-	-	-	-	(11,715)	(11,702)	(305)	(12,007)	
At 30 December 2014	55,259	211	(2,004)	5,888	-	-	-	19,471	78,825	752	79,577	

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 DECEMBER 2014
(The figures have not been audited)

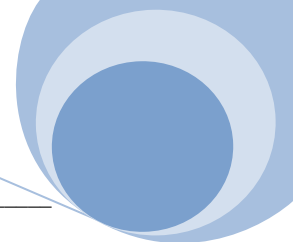
RM'000	12 months ended 31.12.2014 (Unaudited)	12 month ended 31.12.2013 (Audited)
Cash flows from operating activities		
(Loss) / Profit before taxation	(10,824)	6,869
Adjustments for non-cash items:	13,712	13,180
Operating profit before working capital changes	2,888	20,049
Changes in working capital:		
Decrease in proproperty development expenditure	(399)	(197)
Inventories	9,534	(2,940)
Receivables, deposits and prepayments	(6,403)	(2,770)
Payables	15,129	990
Cash (used in)/generated from operations	20,749	15,132
Interest received	133	121
Interest paid	(5,622)	(5,569)
Tax paid	(4,316)	(1,692)
Net cash flow (used in)/generated from operating activities:	10,944	7,992
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,485)	(22,735)
Proceeds from disposal of property, plant and equipment	-	454
Net cash flow (used in)/generated from investing activities	(13,485)	(22,281)
Cash flows from finance activities:		
Dividend paid	-	(1,200)
Net drawdown / (repayment) on term loan and islamic financing	(3,670)	12,018
Proceeds from bill payables	15,002	9,100
Net drawdown/(repayment) of hire purchase creditors	(334)	(409)
Net cash flow generated from/(used in) financing activities	10,998	19,509
Net changes in cash and cash equivalents	8,457	5,220
Exchange differences on translation of foreign subsidiary	13	(524)
Cash and cash equivalents at beginning of period	7,570	2,874
Cash and cash equivalents at end of period	16,040	7,570



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

RM'000	12 months ended 31.12.2014 (Unaudited)	12 month ended 31.12.2013 (Audited)
Cash and cash equivalents comprises of:		
Cash and bank balances	18,218	14,462
Bank Overdraft	(2,178)	(6,892)
	16,040	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 significant 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:

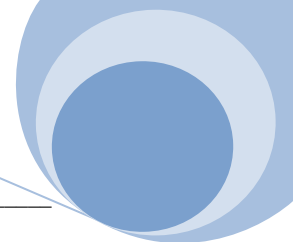
MFRS 9	Financial Instruments (effective from 1 January 2015)
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 132	Annual Improvements 2009-2011 Cycle
MFRS 134	Annual Improvements 2009-2011 Cycle

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.

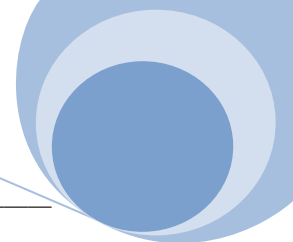
A8. Dividend Paid

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:-

	Consolidation				12 months ended	12 months ended
	Compounding	Retreading	Others	Adjustment	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	163,359	53,518	-	-	216,877	265,771
Inter-Segment Revenue	28,471	1,539	-	(30,010)	-	-
Total Revenue	191,830	55,057	-	(30,010)	216,877	265,771
Overseas Revenue	110,636	459	-	(15,022)	96,072	116,989
Local Revenue	81,194	54,598	-	(14,988)	120,804	148,782
Total Revenue	191,830	55,057	-	(30,010)	216,877	265,771
Segment Results	5,495	(774)	(2,501)	-	2,220	19,738
Interest Income	131	2	-	-	133	121
Depreciation and Amortisation	(4,746)	(2,849)	(86)	-	(7,681)	(7,299)
Finance Cost	(3,698)	(1,923)	-	-	(5,622)	(5,569)
Share of Profit in Associate Company	-	-	-	126	126	(122)
Share of Profit in Jointly Controlled Entity	-	-	-	-	-	-
(Loss) / Profit Before Taxation	(2,818)	(5,544)	(2,587)	126	(10,823)	6,869
Taxation	(825)	(12)	-	-	(836)	(824)
Non-Controlling Interests (Loss) / Profit for The Period Attributable to the Owners of the Company	(3,736)	(5,518)	(2,587)	126	(11,715)	5,767



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 31.12.2014 RM'000	As at 31.12.2013 RM'000
Contingent liabilities		
Corporate guarantee for credit facilities granted to subsidiaries	88,376	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

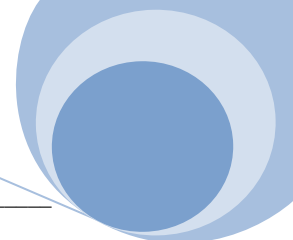
There are no outstanding capital commitments during the period under review.

A15. Recurrent Related Party Transactions

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

	3 months ended 31.12.2014 RM'000	YTD 12 months ended 31.12.2014 RM'000
Transactions with a company connected to a Director		
- Supplying rubber compound and accessories	1,879	8,299

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		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	53,579	53,395	216,877	265,771
(Loss) / Profit before tax	(9,820)	(967)	(10,824)	6,869

For the three months ended 31 December 2014, total revenues increased slightly by about RM0.2 million from RM53.4 million while 4th quarter 2014 registered a Loss Before Tax of RM9.8million as compared to Loss Before Tax of RM0.9million in preceding year's quarter ended 31 December 2013.

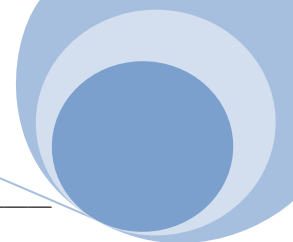
Current quarter registered a higher loss before tax due mainly to the write off of debts due by overseas customers.

B2. Variation of Results against Preceding Quarter

	3-mth ended	3-mth ended
	31.12.2014	30.09.2014
	RM'000	RM'000
Revenue	53,579	54,188
Loss before tax	(9,820)	(3,106)

Revenue decrease by 1.1% from RM54.2 million reported in the immediate preceding quarter to RM53.5 million in the quarter under review as a result of lower sales of it trading operation.

The current quarter registered a loss before tax of RM9.8million, as compared to a loss before tax of RM3.1 million posted in the preceding quarter due mainly to the write off of debts due by overseas customers.



B3. Prospects

The Board is constantly working towards achieving a satisfactory Group performance in the coming year. As the demand for the Group's rubber compounding and retreading business segments are expected to improve, the company is focusing on export market.

B4. (Loss) / Profit Before Taxation

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

	3 months ended		12 months ended	
	31.12.2014 (Unaudited)	31.12.2013 (Unaudited)	31.12.2014 (Unaudited)	31.12.2013 (Audited)
RM'000				
Interest income	62	(23)	133	121
Gain on sale of property, plant and equipment	-	111	140	127
Interest expenses	(2,103)	(1,923)	(5,622)	(5,569)
Depreciation and amortisation	(1,773)	(1,893)	(7,681)	(7,299)
Impairment of receivables	-	-	(1,200)	-
Write down of inventories	(720)	1,231	(720)	(169)
Gain/(Loss) on foreign exchange	(1,228)	1,412	(671)	1,172

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		12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Current tax (expense)/credit	765	(768)	(836)	(3,749)
Deferred taxation	-	2,786	-	2,925
Total taxation (expense)/credit	765	2,018	(836)	(824)

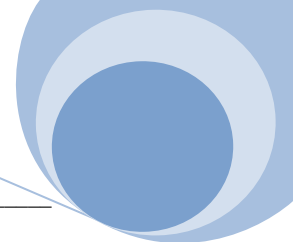
Domestic current income tax is calculated at the statutory tax rate of 25% of the taxable profit for the period. Taxation for other overseas subsidiaries is calculated at the rates prevailing in the respective jurisdictions.

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

There were no corporate proposals announced as at the date of this report.



B8. Group Loans and Borrowings

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

RM'000	As at 31.12.2014	As at 31.12.2013
	(Unaudited)	(Audited)
Non-Current		
-Borrowings (secured)	1,141	1,584
-Term loan (secured)	51,315	54,985
	52,456	56,569
Current		
-Borrowings (secured)	78,237	67,842
-Term loan (secured)	8,635	8,635
	86,872	76,477
Total	139,328	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.

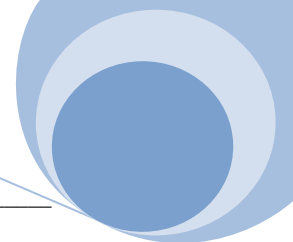
The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

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 31.12.2014 (Unaudited)	As at 31.12.2013 (Audited)
Retained Earnings		
-Realised	89,155	97,265
-Unrealised	(6,584)	(6,685)
Share of losses from jointly controlled entities:		
-Realised	(415)	(425)
	<u>82,156</u>	<u>90,155</u>
Less: Consolidation adjustments	(62,685)	(58,969)
	<u>19,471</u>	<u>31,186</u>

B13. (Loss) / Earnings Per Ordinary Share (EPS)

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
<u>Basic EPS</u>				
Net (Loss) / Profit attributable to the owner of the Company	<u>(8,938)</u>	<u>864</u>	<u>(11,715)</u>	<u>5,767</u>
Weighted average number of ordinary share	<u>110,518</u>	<u>110,518</u>	<u>110,518</u>	<u>110,518</u>
Basic (loss) / earnings per share (sen)	(8.09)	0.78	(10.60)	5.22

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: 27 February 2015