



GOODWAY INTEGRATED INDUSTRIES BERHAD

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

**Interim Financial Statement for the Period
Ended 30 June 2015**



CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015
(The figures have not been audited)

RM'000	3 months ended		6 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	52,849	50,924	96,349	109,153
Cost of sales	(46,137)	(42,411)	(83,787)	(94,204)
Gross profit	6,712	8,513	12,564	14,949
Operating expense	(7,272)	(6,025)	(11,478)	(10,769)
Operating (loss) / profit	(561)	2,488	1,086	4,180
Finance cost	(1,503)	(1,057)	(2,952)	(2,145)
Interest income	19	26	41	57
Finance cost – net	(1,484)	(1,031)	(2,911)	(2,088)
Share of results of an associate	-	2	-	10
Share of results of a jointly controlled entity	-	-	-	-
(Loss) / Profit before tax	(2,044)	1,459	(1,826)	2,102
Taxation	(161)	(336)	(1,084)	(953)
(Loss) / Profit for the period	(2,205)	1,123	(2,910)	1,149
(Loss) / Profit attributable to:				
Owners of the Company	(2,179)	995	(2,863)	984
Non-Controlling interest	(26)	128	(47)	165
	(2,205)	1,123	(2,910)	1,149
(Loss) / Earnings per share attributable to equity holders of the parent (sen)				
- Basic (loss) / earnings per share	(1.97)	0.90	(2.59)	0.89
- Diluted (loss) / earnings per share	NA	NA	NA	NA

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 2014.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015
(The figures have not been audited)

RM'000	3 months ended		3 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Loss) / Profit for the period	(2,205)	1,123	(2,910)	1,149
Other Comprehensive Income:				
Foreign currency translation	171	30	1,050	676
Other comprehensive income for the period	171	30	1,050	676
Total comprehensive income for the period	(2,034)	1,153	(1,860)	1,825
Total comprehensive income attributable to:				
Owners of the Company	(2,008)	1,025	(1,812)	1,660
Non-Controlling interest	(26)	128	(47)	165
	(2,034)	1,153	(1,860)	1,825

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 2014.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

RM'000	As at 31.6.2015	As at 31.12.2014
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	87,637	85,578
Land held for development	7,412	7,412
Intangible Assets	6,673	6,647
Total non-current assets	101,722	99,637
Property development expenditure	33,891	29,518
Inventories	43,402	43,544
Receivables, Deposit, Prepayments & Staff Advances	76,512	72,098
Tax recoverable	2,207	1,524
Cash and cash equivalents	8,542	19,160
Total current assets	164,554	165,844
TOTAL ASSETS:	266,276	265,481
EQUITY AND LIABILITIES		
Share capital	55,259	55,259
Reserves	5,372	4,322
Retained earnings	15,920	18,783
Owners of the Company	76,551	78,364
Non-Controlling interest	242	290
Total equity	76,793	78,654
Loan and borrowings	51,712	52,488
Deferred tax liabilities	4,105	3,897
Total non-current liabilities	55,817	56,385
Payables and Accruals	52,356	43,418
Loan and borrowings	80,412	87,024
Taxation	898	-
Total current liabilities	133,666	130,442
Total liabilities	189,483	186,827
TOTAL EQUITY AND LIABILITIES	266,276	265,481
Net Assets per share (RM)	0.69	0.82

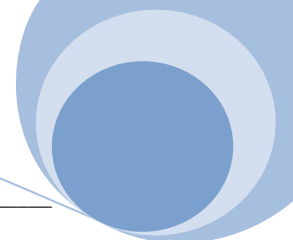
The above Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2014.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015
(The figures have not been audited)

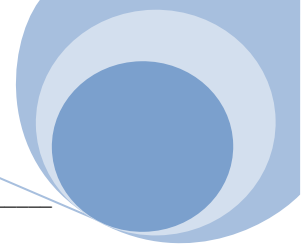
RM'000	Attributable to the owners of the Company							Distributable		Non-Controlling Interests		Total
	Share capital	Share premium	Translation reserve	Revaluation reserve	Share option reserve	Hedging reserve	Fair value reserve	Retained earnings	Total			
At 1 January 2014, as previously stated	55,259	211	(2,017)	5,888	-	-	-	31,186	90,527	1,057	91,584	
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(361)	(361)	
Total comprehensive income for the period	-	-	240	-	-	-	-	(12,403)	(12,163)	(407)	(12,570)	
At 31 December 2014	55,259	211	(1,777)	5,888	-	-	-	18,783	78,364	289	78,653	
At 1 January 2015	55,259	211	(1,777)	5,888	-	-	-	18,783	78,364	289	78,653	
Total comprehensive (losses) / income for the period	-	-	1,050	-	-	-	-	(2,863)	(1,813)	(47)	(1,860)	
At 31 March 2015	55,259	211	(727)	5,888	-	-	-	15,920	76,551	242	76,793	

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 2014.



CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015
(The figures have not been audited)

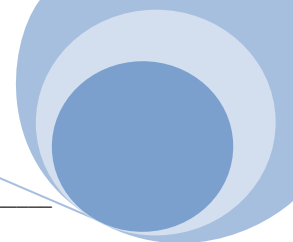
RM'000	6 months ended 30.6.2015 (Unaudited)	12 month ended 31.12.2014 (Audited)
Cash flows from operating activities		
Loss before taxation	(1,826)	(15,239)
Adjustments for non-cash items:	7,350	19,205
Operating profit before working capital changes	5,524	3,966
Changes in working capital:		
Increase in property development expenditure	(4,373)	(580)
Decrease in inventories	142	8,703
(Increase) / Decrease in receivables, deposits and prepayments	(4,414)	1,100
Increase in payables	8,938	8,801
Cash used in operations	5,817	21,990
Interest received	41	134
Interest paid	(2,952)	(5,479)
Tax paid	(868)	(3,171)
Net cash flow generated from operating activities:	2,038	13,474
Cash flows from investing activities		
Proceeds from disposal of intangible assets	-	517
Purchase of property, plant and equipment	(6,218)	(14,152)
Net cash flow used in investing activities	(6,218)	(13,635)
Cash flows from finance activities:		
Dividend paid	-	(361)
Net repayment of term loan and islamic financing	(1,860)	(3,785)
Net (Repayment) / Proceeds from bill payables	(12,047)	15,245
Net drawdown/(repayment) of hire purchase creditors	2,600	(830)
Net cash flow (used in) / generated from financing activities	(11,307)	10,269
Net changes in cash and cash equivalents	(15,487)	10,108
Exchange differences on translation of foreign subsidiary	1,050	(752)
Cash and cash equivalents at beginning of period	16,828	7,472
Cash and cash equivalents at end of period	2,391	16,828



CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015 (CONT'D)
(The figures have not been audited)

RM'000	6 months ended 30.6.2015 (Unaudited)	12 month ended 31.12.2014 (Audited)
Cash and cash equivalents comprises of:		
Cash and bank balances	8,542	19,060
Bank Overdraft	(6,151)	(2,232)
	2,391	16,828

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 2014.



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 2014 and the accompanying explanatory notes attached to the audited financial statements.

A2. Significant Accounting Policies

The significant accounting policies and method of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group’s annual audited financial statement for the year ended 31 December 2014.

The Group adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”) and IC Interpretations that become mandatory for the current financial period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of 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 2014 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

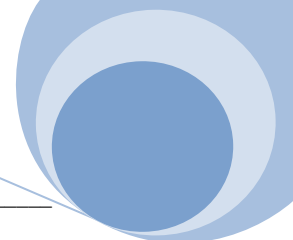
There were no items affecting assets, liabilities, equity, net income or cash flows during the current financial period that are unusual because of their nature, size and incidence.

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 2014.

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.



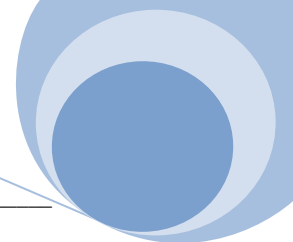
A8. Dividend Paid

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	6 months ended 30.6.2015	6 months ended 30.6.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	62,599	23,746	10,004	-	96,349	109,153
Inter-Segment Revenue	10,186	1,473	-	(11,659)	-	-
Total Revenue	72,785	25,219	10,004	(11,659)	96,349	109,153
Overseas Revenue	43,784	-	-	(6,234)	37,550	49,913
Local Revenue	29,001	25,219	10,004	(5,425)	58,799	59,240
Total Revenue	72,785	25,219	10,004	(11,659)	96,349	109,153
Segment Results	6,451	(128)	(1,080)	-	5,243	8,032
Interest Income	41	-	-	-	41	57
Depreciation and Amortisation	(2,542)	(1,575)	(41)	-	(4,158)	(3,851)
Finance Cost	(1,971)	(981)	-	-	(2,952)	(2,145)
Share of Profit in Associate Company	-	-	-	-	-	10
Share of Profit in Jointly Controlled Entity	-	-	-	-	-	-
(Loss) / Profit Before Taxation	1,979	(2,684)	(1,122)	-	(1,826)	2,103
Taxation	(900)	-	(184)	-	(1,084)	(953)
Non-Controlling Interests	-	47	-	-	47	(166)
(Loss) / Profit for The Period Attributable to the Owners of the Company	1,079	(2,636)	(1,306)	-	(2,863)	984



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 30.6.2015 RM'000	As at 31.12.2014 RM'000
Contingent liabilities		
Corporate guarantee for credit facilities granted to subsidiaries	68,490	76,877

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 2014.

A14. Capital Commitments

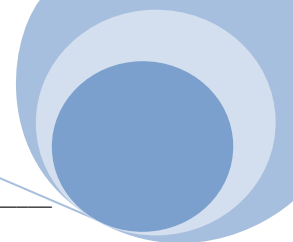
There are no outstanding capital commitments during the period under review.

A15. Recurrent Related Party Transactions

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

	6 months ended 30.6.2015 RM'000	YTD 3 months ended 31.3.2015 RM'000
Transactions with a company connected to a Director		
- Supplying rubber compound and accessories	3,388	1,872

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		6 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	52,849	50,924	96,349	109,153
Profit before tax	(2,044)	1,459	(1,826)	2,102

For the three months ended 30 June 2015, total revenues increased by about RM1.9 million from RM50.9 million to RM52.8mil. The net increase is due to the first recognition of revenue on the Property Development project in Kota Kinabalu, Sabah while the Retreading Division is having a lower volume of sales.

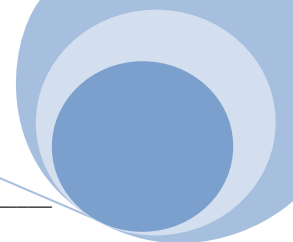
2nd quarter 2015 registered a Loss Before Tax of RM2.0 million as compared to Profit Before Tax of RM1.5 million in preceding year's quarter ended 30 June 2014. The loss is due mainly to the lower sales volume in Retreading Division and the additional provision of unrealised foreign exchange differences as compared to preceding year's quarter ended 30 June 2014.

B2. Variation of Results against Preceding Quarter

	3-mth ended	3-mth ended
	30.6.2015	31.3.2015
	RM'000	RM'000
Revenue	52,849	43,500
Profit / (Loss) before tax	(2,044)	218

Revenue increase by 21.5% from RM43.5 million reported in the immediate preceding quarter to RM52.8 million in the quarter under review as a result of recognition of the revenue in the Property Development project in Kota Kinabalu, Sabah.

The current quarter registered a loss before tax of RM2.0 million, as compared to a profit before tax of RM0.2 million posted in the preceding quarter due mainly to the additional provision of unrealised foreign exchange differences in preceding quarter.



B3. Prospects

The Board is constantly working towards achieving a satisfactory Group performance in the year 2015. As the demand for the Group's rubber compounding and retreading business segments are expected to improve, the company is also focusing on the export market. In addition, the property development project is expected to generate favourable cashflow and profit for the Group.

B4. (Loss) / Profit Before Taxation

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

RM'000	3 months ended		3 months ended	
	30.6.2015 (Unaudited)	30.6.2014 (Unaudited)	30.6.2015 (Unaudited)	30.6.2014 (Audited)
Interest income	19	26	41	57
Interest expenses	(1,503)	(1,057)	(2,952)	(2,145)
Depreciation and amortisation	(2,099)	(1,972)	(4,158)	(3,851)
Loss on foreign exchange	(2,136)	(701)	(917)	(634)

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		6 months ended	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Current tax (expense)/credit	(161)	(336)	(1,084)	(953)
Deferred taxation	-	-	-	-
Total taxation (expense)/credit	(161)	(336)	(1,084)	(953)

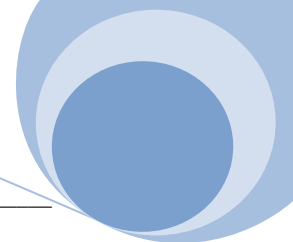
Domestic current income tax is calculated at the statutory tax rate of 25% of the taxable profit for the period. Taxation for other overseas subsidiaries is calculated at the rates prevailing in the respective jurisdictions.

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 30 June 2015 are as follows:-

RM'000	As at 30.6.2015	As at 31.12.2014
	(Unaudited)	(Audited)
Non-Current		
-Borrowings (secured)	2,354	1,270
-Term loan (secured)	49,358	51,218
	51,712	52,488
Current		
-Borrowings (secured)	71,795	78,407
-Term loan (secured)	8,617	8,617
	80,412	87,024
Total	132,124	139,512

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.

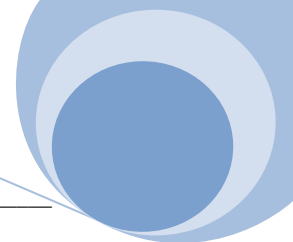
The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

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 30.6.2015 (Unaudited)	As at 31.12.2014 (Audited)
Retained Earnings		
-Realised	76,434	86,756
-Unrealised	(6,420)	(4,968)
	70,014	81,788
Less: Consolidation adjustments	(54,094)	(63,005)
	15,920	18,783

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

	3 months ended		6 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
<u>Basic EPS</u>				
Net (Loss) / Earnings attributable to the owner of the Company	(2,179)	995	(2,863)	984
Weighted average number of ordinary share	110,518	110,518	110,518	110,518
Basic (loss) / earnings per share (sen)	(1.97)	0.90	(2.59)	0.89

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: 25 August 2015