



GOODWAY INTEGRATED INDUSTRIES BERHAD

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

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



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

RM'000	3 months ended		9 months ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	47,794	54,188	144,143	163,341
Cost of sales	(41,187)	(47,009)	(124,974)	(141,213)
Gross profit	6,607	7,179	19,170	22,128
Operating expense	(6,526)	(9,023)	(18,005)	(19,792)
Operating profit / (loss)	81	(1,844)	1,165	2,336
Finance cost	(1,412)	(1,374)	(4,364)	(3,519)
Interest income	7	14	47	71
Finance cost – net	(1,405)	(1,360)	(4,317)	(3,448)
Share of results of an associate	-	98	-	108
Loss before tax	(1,324)	(3,106)	(3,152)	(1,004)
Taxation	(210)	(647)	(1,294)	(1,601)
Loss for the period	(1,534)	(3,753)	(4,446)	(2,604)
Loss attributable to:				
Owners of the Company	(1,496)	(3,762)	(4,358)	(2,778)
Non-Controlling interest	(38)	9	(88)	174
	(1,534)	(3,753)	(4,446)	(2,604)
Loss per share attributable to equity holders of the parent (sen)				
- Basic loss per share	(1.35)	(3.40)	(3.94)	(2.51)
- Diluted loss 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 SEPTEMBER 2015
(The figures have not been audited)

RM'000	3 months ended		9 months ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Loss for the period	(1,534)	(3,753)	(4,446)	(2,604)
Other Comprehensive Loss:				
Foreign currency translation	(96)	(973)	954	(297)
Other comprehensive (loss) / income for the period	(96)	(973)	954	(297)
Total comprehensive loss for the period	(1,630)	(4,726)	(3,492)	(2,902)
Total comprehensive loss attributable to:				
Owners of the Company	(1,592)	(4,735)	(3,404)	(3,075)
Non-Controlling interest	(38)	9	(88)	174
	(1,630)	(4,726)	(3,492)	(2,902)

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 SEPTEMBER 2015

RM'000	As at 30.9.2015	As at 31.12.2014
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	87,024	85,578
Land held for development	7,412	7,412
Intangible Assets	6,742	6,647
Total non-current assets	101,178	99,637
Property development expenditure	27,359	29,518
Inventories	40,427	43,544
Receivables, Deposit, Prepayments & Staff Advances	82,152	72,098
Tax recoverable	1,897	1,524
Cash and cash equivalents	8,289	19,160
Total current assets	160,124	165,844
TOTAL ASSETS:	261,302	265,481
EQUITY AND LIABILITIES		
Share capital	55,259	55,259
Reserves	5,276	4,322
Retained earnings	14,425	18,783
Owners of the Company	74,960	78,364
Non-Controlling interest	201	290
Total equity	75,161	78,654
Loan and borrowings	50,370	52,488
Deferred tax liabilities	3,897	3,897
Total non-current liabilities	54,267	56,385
Payables and Accruals	53,102	43,418
Loan and borrowings	77,463	87,024
Taxation	1,309	-
Total current liabilities	131,874	130,442
Total liabilities	186,141	186,827
TOTAL EQUITY AND LIABILITIES	261,302	265,481
Net Assets per share (RM)	0.68	0.71

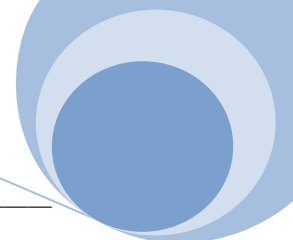
The above Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2014.



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

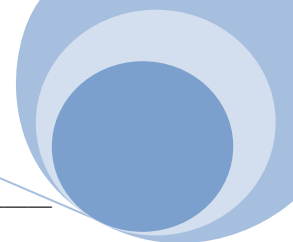
RM'000	Attributable to the owners of the Company							Distributable		Non-Controlling Interests		Total
	Share capital	Share premium	Translation reserve	Revaluation reserve	Share option reserve	Hedging reserve	Fair value reserve	Retained earnings	Total			
At 1 January 2014, as previously stated	55,259	211	(2,017)	5,888	-	-	-	31,186	90,527	1,057	91,584	
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(361)	(361)	
Total comprehensive income / (loss) 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 income / (loss) for the period	-	-	954	-	-	-	-	(4,358)	(3,404)	(88)	(3,492)	
At 30 September 2015	55,259	211	(823)	5,888	-	-	-	14,425	74,960	201	75,161	

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 SEPTEMBER 2015
(The figures have not been audited)

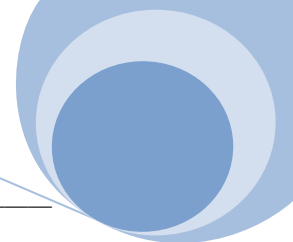
RM'000	9 months ended 30.9.2015 (Unaudited)	12 month ended 31.12.2014 (Audited)
Cash flows from operating activities		
Loss before taxation	(3,152)	(15,239)
Adjustments for non-cash items:	11,242	19,205
Operating profit before working capital changes	8,090	3,966
Changes in working capital:		
Decrease / (Increase) in property development expenditure	2,159	(580)
Decrease in inventories	3,117	8,703
(Increase) / Decrease in receivables, deposits and prepayments	(10,873)	1,100
Increase in payables	9,684	8,801
Cash used in operations	12,177	21,990
Interest received	47	134
Interest paid	(4,364)	(5,479)
Tax paid	(358)	(3,171)
Net cash flow generated from operating activities:	7,502	13,474
Cash flows from investing activities		
Proceeds from disposal of intangible assets	-	517
Purchase of property, plant and equipment	(7,648)	(14,152)
Net cash flow used in investing activities	(7,648)	(13,635)
Cash flows from finance activities:		
Dividend paid	-	(361)
Net repayment of term loan and islamic financing	(1,330)	(3,785)
Net (Repayment) / Proceeds from bill payables	(13,230)	15,245
Net drawdown/(repayment) of hire purchase creditors	2,855	(830)
Net cash flow (used in) / generated from financing activities	(11,705)	10,269
Net changes in cash and cash equivalents	(11,851)	10,108
Exchange differences on translation of foreign subsidiary	954	(752)
Cash and cash equivalents at beginning of period	16,928	7,472
Cash and cash equivalents at end of period	6,031	16,828



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

RM'000	9 months ended 30.9.2015 (Unaudited)	12 month ended 31.12.2014 (Audited)
Cash and cash equivalents comprises of:		
Cash and bank balances	8,289	19,060
Bank Overdraft	(2,258)	(2,232)
	6,031	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

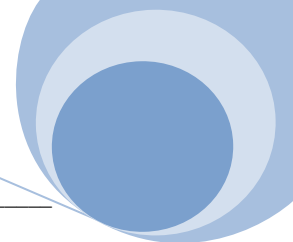
There were no items affecting assets, liabilities, equity, net income or cash flows during the current financial period that are unusual because of their nature, size and incidence.

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.



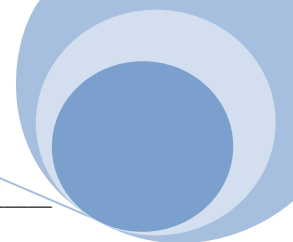
A8. Dividend Paid

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	9 months ended 30.9.2015	9 months ended 30.9.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	92,049	33,995	18,100	-	144,143	163,341
Inter-Segment Revenue	14,092	1,841	-	(15,933)	-	-
Total Revenue	106,140	35,836	18,100	(15,933)	144,143	163,341
Overseas Revenue	63,772	-	-	(9,083)	54,689	72,566
Local Revenue	42,368	35,836	18,100	(6,850)	89,454	90,775
Total Revenue	106,140	35,836	18,100	(15,933)	144,143	163,341
Segment Results	8,104	578	(1,316)	-	7,366	8,245
Interest Income	47	-	-	-	47	71
Depreciation and Amortisation	(3,823)	(2,322)	(56)	-	(6,202)	(5,908)
Finance Cost	(2,921)	(1,443)	-	-	(4,364)	(3,519)
Share of Profit in Associate Company	-	-	-	-	-	108
Profit / (Loss) Before Taxation	1,407	(3,187)	(1,372)	-	(3,152)	(1,003)
Taxation	(971)	-	(323)	-	(1,294)	(1,601)
Non-Controlling Interests	-	88	-	-	88	(174)
Profit / (Loss) for The Period Attributable to the Owners of the Company	436	(3,099)	(1,695)	-	(4,358)	(2,778)



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 30.9.2015 RM'000	As at 31.12.2014 RM'000
Contingent liabilities		
Corporate guarantee for credit facilities granted to subsidiaries	63,933	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

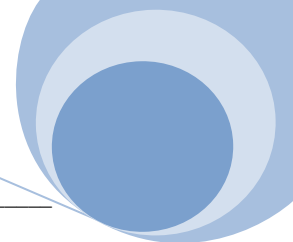
There are no outstanding capital commitments during the period under review.

A15. Recurrent Related Party Transactions

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

	9 months ended 30.9.2015 RM'000	9 months ended 30.9.2014 RM'000
Transactions with a company connected to a Director		
- Supplying rubber compound and accessories	4,731	6,420

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		9 months ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	47,794	54,188	144,143	163,341
Loss before tax	(1,324)	(3,106)	(3,152)	(1,004)

For the three months ended 30 September 2015, total revenues decrease by about RM6.4 million from RM54.2million in the preceding year's quarter ended 30 September 2014 to RM47.8mil. The net decrease is mainly due to the discontinued of SMR trading business and the lower demand in both Compounding and Retreading Division.

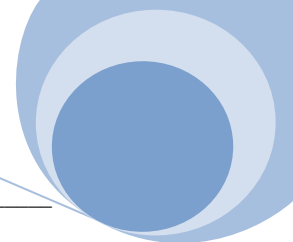
The Group is registered a Loss Before Tax of RM1.3million in 3rd quarter 2015 as compared to Loss Before Tax of RM3.1million in preceding year's 3rd quarter ended 30 September 2014. The lower loss is mainly due to the improving cost efficiency and lower impairment of receivables as compared to preceding year's 3rd quarter ended 30 September 2014.

B2. Variation of Results against Preceding Quarter

	3-mth ended	3-mth ended
	30.9.2015	30.6.2015
	RM'000	RM'000
Revenue	47,794	52,849
Profit / (Loss) before tax	<u>(1,324)</u>	<u>(2,044)</u>

Revenue decrease by 9.6% from RM52.8 million reported in the immediate preceding quarter to RM47.8 million in the quarter under review as a result of reduction in revenue recognition in the Property Development project in Kota Kinabalu, Sabah and the lower demand in Compounding division.

The Group registered a Loss Before Tax of RM1.3million in the current quarter, as compared to a Loss Before Tax of RM2.0 million posted in the preceding quarter due mainly to the lower provision of unrealised foreign exchange differences in current quarter.



B3. Prospects

Due to the slowdown of the global and local economic climate, the Group is facing a challenging year ahead as compare to year 2014. Despite this, the Group is constantly working towards improving it's performance. The property development project is expected to generate favourable cashflow and profit for the Group.

B4. Loss Before Taxation

Included in the Loss Before Taxation are the following items:

RM'000	3 months ended		9 months ended	
	30.9.2015 (Unaudited)	30.9.2014 (Unaudited)	30.9.2015 (Unaudited)	30.9.2014 (Unaudited)
Interest income	7	14	47	71
Interest expenses	(1,412)	(1,374)	(4,364)	(3,519)
Depreciation and amortisation	(2,043)	(2,057)	(6,202)	(5,908)
Impairment of receivables	(819)	(1,200)	(819)	(1,200)
(Loss) / Gain on foreign exchange	(424)	1,191	(1,341)	557

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		9 months ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Current tax (expense)/credit	(210)	(647)	(1,294)	(1,601)
Deferred taxation	-	-	-	-
Total taxation (expense)/credit	(210)	(647)	(1,294)	(1,601)

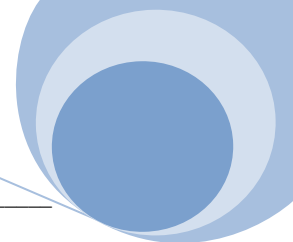
Domestic current income tax is calculated at the statutory tax rate of 25% of the taxable profit for the period. Taxation for other overseas subsidiaries is calculated at the rates prevailing in the respective jurisdictions.

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 September 2015 are as follows:-

RM'000	As at 30.9.2015	As at 31.12.2014
	(Unaudited)	(Audited)
Non-Current		
-Borrowings (secured)	2,580	1,270
-Term loan (secured)	47,790	51,218
	50,370	52,488
Current		
-Borrowings (secured)	66,749	78,407
-Term loan (secured)	10,716	8,617
	77,463	87,024
Total	127,833	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.

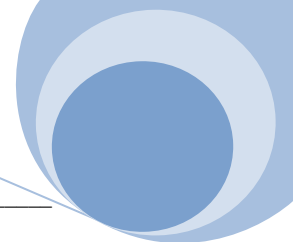
The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

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 30.9.2015 (Unaudited)	As at 31.12.2014 (Audited)
Retained Earnings		
-Realised	74,898	86,756
-Unrealised	(6,439)	(4,968)
	68,460	81,788
Less: Consolidation adjustments	(54,035)	(63,005)
	14,425	18,783

B13. Loss Per Ordinary Share (LPS)

	3 months ended		9 months ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
<u>Basic EPS</u>				
Net Loss attributable to the owner of the Company	(1,496)	(3,762)	(4,358)	(2,778)
Weighted average number of ordinary share	110,518	110,518	110,518	110,518
Basic loss per share (sen)	(1.35)	(3.40)	(3.94)	(2.51)

Diluted LPS

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 November 2015