



**GOODWAY INTEGRATED INDUSTRIES BERHAD**

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

**Interim Financial Statement for the Year  
Ended 31 December 2015**



**CONSOLIDATED INCOME STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
*(The figures have not been audited)*

RM'000	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenue	47,406	44,134	191,549	207,475
Cost of sales	(44,723)	(47,838)	(169,697)	(189,052)
<b>Gross profit / (loss)</b>	2,683	(3,704)	21,852	18,423
Operating expense	(4,397)	(8,527)	(22,402)	(28,319)
<b>Operating profit / (loss)</b>	(1,714)	(12,231)	(550)	(9,896)
Finance cost	(1,511)	(1,961)	(5,875)	(5,479)
Interest income	3	64	50	135
Finance cost – net	(1,508)	(1,897)	(5,825)	(5,344)
Share of results of an associate	-	(108)	-	-
<b>Loss before tax</b>	(3,222)	(14,236)	(6,375)	(15,240)
Taxation	(1,094)	4,031	(2,387)	2,430
<b>Loss for the period</b>	(4,316)	(10,205)	(8,762)	(12,810)
<b>Loss attributable to:</b>				
Owners of the Company	(4,267)	(9,624)	(8,627)	(12,403)
Non-Controlling interest	(49)	(581)	(135)	(407)
	(4,316)	(10,205)	(8,762)	(12,810)
<b>Loss per share attributable to equity holders of the parent (sen)</b>				
- Basic loss per share	(3.86)	(8.71)	(7.81)	(11.22)
- 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 YEAR ENDED 31 DECEMBER 2015**  
*(The figures have not been audited)*

RM'000	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Loss for the period</b>	(4,316)	(10,205)	(8,762)	(12,810)
<b>Other Comprehensive Loss:</b>				
Foreign currency translation	428	537	1,382	240
Other comprehensive loss	428	537	1,382	240
<b>Total comprehensive loss for the period</b>	<b>(3,888)</b>	<b>(9,668)</b>	<b>(7,380)</b>	<b>(12,570)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(3,839)	(9,087)	(7,245)	(12,163)
Non-Controlling interest	(49)	(581)	(135)	(407)
	<b>(3,888)</b>	<b>(9,668)</b>	<b>(7,380)</b>	<b>(12,570)</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 2014.*



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

*(The figures have not been audited)*

RM'000	As at 31.12.2015	As at 31.12.2014
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Property, plant and equipment	86,090	85,578
Land held for development	7,409	7,412
Intangible Assets	6,694	6,647
<b>Total non -current assets</b>	100,193	99,637
Property development expenditure	22,479	29,518
Inventories	38,453	43,544
Receivables, Deposit, Prepayments & Staff Advances	71,148	72,098
Tax recoverable	753	1,524
Cash and cash equivalents	11,405	19,160
<b>Total current assets</b>	144,238	165,844
<b>TOTAL ASSETS:</b>	244,431	265,481
<b>EQUITY AND LIABILITIES</b>		
Share capital	55,259	55,259
Reserves	5,704	4,322
Retained earnings	10,156	18,783
<b>Owners of the Company</b>	71,119	78,364
<b>Non-Controlling interest</b>	154	290
<b>Total equity</b>	71,273	78,654
Loan and borrowings	44,380	52,488
Deferred tax liabilities	5,129	3,897
<b>Total non -current liabilities</b>	49,509	56,385
Payables and Accruals	48,096	43,418
Loan and borrowings	75,553	87,024
<b>Total current liabilities</b>	123,649	130,442
<b>Total liabilities</b>	173,158	186,827
<b>TOTAL EQUITY AND LIABILITIES</b>	244,431	265,481
<b>Net Assets per share (RM)</b>	0.64	0.71

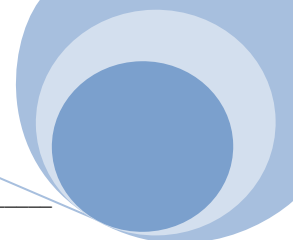
*The above Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the year ended 31 December 2014.*



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
*(The figures have not been audited)*

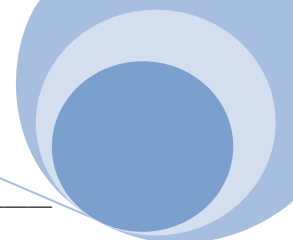
RM'000	Attributable to the owners of the Company							Distributable		Non-Controlling Interests		Total
	Share capital	Share premium	Translation reserve	Revaluation reserve	Share option reserve	Hedging reserve	Fair value reserve	Retained earnings	Total			
<b>At 1 January 2014, as previously stated</b>	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)	
<b>At 31 December 2014</b>	55,259	211	(1,777)	5,888	-	-	-	18,783	78,364	289	78,653	
<b>At 1 January 2015</b>	55,259	211	(1,777)	5,888	-	-	-	18,783	78,364	289	78,653	
Total comprehensive income / (loss) for the period	-	-	1,382	-	-	-	-	(8,627)	(7,245)	(135)	(7,380)	
<b>At 31 December 2015</b>	55,259	211	(395)	5,888	-	-	-	10,156	71,119	154	71,273	

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 YEAR ENDED 31 DECEMBER 2015**  
*(The figures have not been audited)*

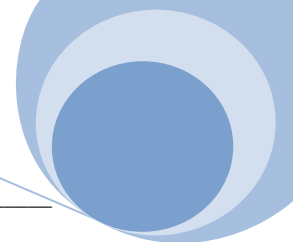
<b>RM'000</b>	<b>12 months ended 31.12.2015 (Unaudited)</b>	<b>12 month ended 31.12.2014 (Audited)</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(6,375)	(15,239)
Adjustments for non-cash items:	15,469	19,205
Operating profit before working capital changes	9,094	3,966
Changes in working capital:		
Decrease / (Increase) in property development expenditure	7,039	(580)
Decrease in inventories	5,091	8,703
Decrease in receivables, deposits and prepayments	132	1,100
Increase in payables	3,878	8,801
Cash used in operations	25,234	21,990
Interest received	50	134
Interest paid	(5,875)	(5,479)
Tax paid	(384)	(3,171)
Net cash flow generated from operating activities:	19,025	13,474
<b>Cash flows from investing activities</b>		
Proceeds from disposal of intangible assets	-	517
Purchase of property, plant and equipment	(8,584)	(14,152)
Net cash flow used in investing activities	(8,584)	(13,635)
<b>Cash flows from finance activities:</b>		
Dividend paid	-	(361)
Net repayment of term loan and islamic financing	(5,181)	(3,785)
Net (Repayment) / Proceeds from bill payables	(17,225)	15,245
Net drawdown/(repayment) of hire purchase creditors	3,078	(830)
Net cash flow (used in) / generated from financing activities	(19,328)	10,269
<b>Net changes in cash and cash equivalents</b>	<b>(8,887)</b>	<b>10,108</b>
Exchange differences on translation of foreign subsidiary	1,382	(752)
<b>Cash and cash equivalents at beginning of period</b>	<b>16,928</b>	<b>7,472</b>
<b>Cash and cash equivalents at end of period</b>	<b>9,423</b>	<b>16,828</b>



**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2015 (CONT'D)**  
*(The figures have not been audited)*

<b>RM'000</b>	<b>12 months ended 31.12.2015 (Unaudited)</b>	<b>12 month ended 31.12.2014 (Audited)</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash and bank balances	11,405	19,060
Bank Overdraft	(1,982)	(2,232)
	<b>9,423</b>	<b>16,828</b>

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 condensed 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.

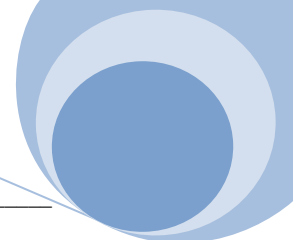
**A6. Changes in Estimates**

There were no material changes in estimates that have been used in the preparation of the condensed financial statement 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.





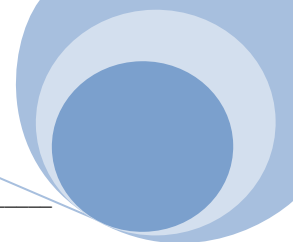
**A8. Dividend Paid**

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 RM'000	Retreading RM'000	Others RM'000	Consolidation Adjustment RM'000	12 months ended	12 months ended
					31.12.2015 RM'000	31.12.2014 RM'000
External Revenue	118,170	43,642	29,737	-	191,549	207,475
Inter-Segment Revenue	19,907	2,448	-	(22,355)	-	-
<b>Total Revenue</b>	<b>138,077</b>	<b>46,090</b>	<b>29,737</b>	<b>(22,355)</b>	<b>191,549</b>	<b>207,475</b>
Overseas Revenue	97,283	-	-	(12,152)	85,131	96,072
Local Revenue	40,794	46,090	29,737	(10,203)	106,418	111,403
<b>Total Revenue</b>	<b>138,077</b>	<b>46,090</b>	<b>29,737</b>	<b>(22,355)</b>	<b>191,549</b>	<b>207,475</b>
Segment Results	9,815	905	(3,116)	-	<b>7,604</b>	<b>(1,825)</b>
Interest Income	50	-	-	-	<b>50</b>	<b>135</b>
Depreciation and Amortisation	(4,950)	(3,101)	(103)	-	<b>(8,154)</b>	<b>(8,072)</b>
Finance Cost	(4,002)	(1,873)	-	-	<b>(5,875)</b>	<b>(5,479)</b>
Share of Profit in Associate Company	-	-	-	-	-	-
Profit / (Loss) Before Taxation	913	(4,069)	(3,219)	-	<b>(6,375)</b>	<b>(15,240)</b>
Taxation	(2,069)	(318)	-	-	<b>(2,387)</b>	<b>2,430</b>
<b>Non-Controlling Interests</b>	-	135	-	-	<b>135</b>	<b>407</b>
<b>Profit / (Loss) for The Period Attributable to the Owners of the Company</b>	<b>(1,156)</b>	<b>(4,252)</b>	<b>(3,219)</b>	<b>-</b>	<b>(8,627)</b>	<b>(12,403)</b>



**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**

	<b>As at 31.12.2015 Company RM'000</b>	<b>As at 31.12.2014 Company RM'000</b>
<b>Contingent liabilities</b>		
Corporate guarantee for credit facilities granted to subsidiaries	58,671	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**

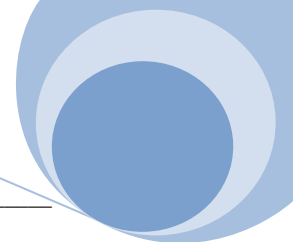
There are no outstanding capital commitments during the period under review.

**A15. Recurrent Related Party Transactions**

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

	<b>12 months ended 31.12.2015 RM'000</b>	<b>12 months ended 31.12.2014 RM'000</b>
Transactions with a company connected to a Director		
- Supplying rubber compound and accessories	6,166	8,312

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**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	47,406	44,134	191,549	207,475
Loss before tax	(3,222)	(14,236)	(6,375)	(15,240)

For the three months ended 31 December 2015, total revenues increase by about RM3.3 million from RM44.1million in the preceding year's quarter ended 31 December 2014 to RM47.4mil. The increase is mainly due to the recognition of revenue in the Property Development Division. However, the improvement was been reduced by the discontinued of SMR trading business and the lower demand in both Compounding and Retreading Division.

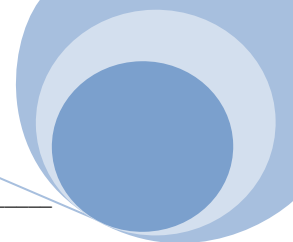
The Group is registered a Loss Before Tax of RM3.2 million in 4th quarter 2015 as compared to Loss Before Tax of RM14.2million in preceding year's 4th quarter ended 31 December 2014. The lower loss is mainly due to the improving cost efficiency and the non-occurrence of the one-off expenses incurred in 4th quarter ended 31 December 2014.

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

	<b>3-mth ended</b>	<b>3-mth ended</b>
	<b>31.12.2015</b>	<b>30.9.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	47,406	47,794
Loss before tax	(3,222)	(1,324)

Revenue in current quarter is compatible to the revenue reported in the immediate preceding quarter.

The Group registered a Loss Before Tax of RM3.2 million in the current quarter, as compared to a Loss Before Tax of RM1.3 million posted in the preceding quarter due mainly to the additional realised foreign exchange loss in the current quarter.



**B3. Prospects**

Due to the slowdown of the global and local economic climate, the Group will be facing a challenging year ahead as compare to year 2015. 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:

	3 months ended		12 months ended	
	31.12.2015 (Unaudited)	31.12.2014 (Audited)	31.12.2015 (Unaudited)	31.12.2014 (Audited)
	RM'000	RM'000	RM'000	RM'000
Interest income	3	64	50	135
Interest expenses	(1,511)	(1,961)	(5,875)	(5,479)
Depreciation and amortisation	(1,953)	(2,164)	(8,154)	(8,072)
Impairment of receivables	-	-	(819)	(1,200)
Gain / (Loss) on foreign exchange	939	(18)	(402)	539

**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:-

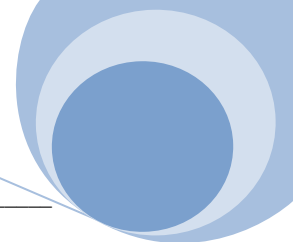
	3 months ended		12 months ended	
	31.12.2015 (Unaudited)	31.12.2014 (Audited)	31.12.2015 (Unaudited)	31.12.2014 (Audited)
	RM'000	RM'000	RM'000	RM'000
Current tax (expense)/credit	338	1,243	(955)	(358)
Deferred taxation	(1,432)	2,788	(1,432)	2,788
Total taxation (expense)/credit	(1,094)	4,031	(2,387)	2,430

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 losses incurred by certain subsidiary companies.

**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 2015 are as follows:-

	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
<b>Non-Current</b>		
-Borrowings (secured)	2,712	1,270
-Term loan (secured)	41,668	51,218
	<b>44,380</b>	<b>52,488</b>
<b>Current</b>		
-Borrowings (secured)	62,568	78,407
-Term loan (secured)	12,985	8,617
	<b>75,553</b>	<b>87,024</b>
<b>Total</b>	<b>119,933</b>	<b>139,512</b>

**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.

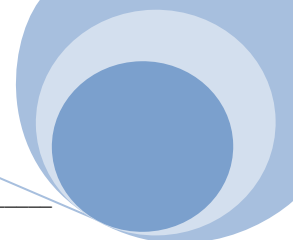
The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

**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:

	<b>As at 31.12.2015 (Unaudited)</b>	<b>As at 31.12.2014 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Retained Earnings		
-Realised	70,582	86,756
-Unrealised	(5,889)	(4,968)
	<hr/> 64,694	<hr/> 81,788
Less: Consolidation adjustments	<hr/> (54,538)	<hr/> (63,005)
	<hr/> <b>10,156</b>	<hr/> <b>18,783</b>

**B13. Loss Per Ordinary Share (LPS)**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>Basic EPS</u></b>				
Net Loss attributable to the owner of the Company	<b>(4,267)</b>	<b>(9,624)</b>	<b>(8,627)</b>	<b>(12,403)</b>
Weighted average number of ordinary share	<hr/> 110,518	<hr/> 110,518	<hr/> 110,518	<hr/> 110,518
<b>Basic loss per share (sen)</b>	<b>(3.86)</b>	<b>(8.71)</b>	<b>(7.81)</b>	<b>(11.22)</b>

**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: 29 February 2016