



GOODWAY INTEGRATED INDUSTRIES BERHAD

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

**Interim Financial Statement for the Period
Ended 31 March 2016**



CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

	Current Quarter	Preceding Corresponding Quarter	Cumulative Quarter Ended	Cumulative Quarter Ended
RM'000	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	47,429	43,500	47,429	43,500
Cost of sales	(40,247)	(37,650)	(40,247)	(37,650)
Gross profit	7,182	5,850	7,182	5,850
Other operating income	87	-	87	-
Operating expense	(6,928)	(4,206)	(6,928)	(4,206)
Operating profit	341	1,644	341	1,644
Finance cost	(1,487)	(1,449)	(1,487)	(1,449)
Interest income	47	22	47	22
Finance cost – net	(1,440)	(1,427)	(1,440)	(1,427)
(Loss) / profit before tax	(1,099)	217	(1,099)	217
Taxation	(166)	(923)	(166)	(923)
Loss for the period	(1,265)	(706)	(1,265)	(706)
Loss attributable to:				
Owners of the Company	(1,272)	(685)	(1,272)	(685)
Non-Controlling interest	7	(21)	7	(21)
	(1,265)	(706)	(1,265)	(706)
Loss per share attributable to equity holders of the parent (sen)				
- Basic loss per share	(1.15)	(0.62)	(1.15)	(0.62)
- 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 2015.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

	Current Quarter	Preceding Corresponding Quarter	Cumulative Quarter Ended	Cumulative Quarter Ended
RM'000	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(1,265)	(706)	(1,265)	(706)
Other Comprehensive (Loss) / income:				
Foreign currency translation	(522)	879	(522)	879
	(522)	879	(522)	879
Total comprehensive (loss) / income for the period	(1,787)	173	(1,787)	173
Total comprehensive loss / (income) attributable to:				
Owners of the Company	(1,794)	194	(1,794)	194
Non-Controlling interest	7	(21)	7	(21)
	(1,787)	173	(1,787)	173

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 2015.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

RM'000	As at 31.03.2016	As at 31.12.2015
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	87,556	89,524
Land held for development	7,412	7,412
Intangible Assets	586	586
Total non -current assets	95,555	97,522
Property development expenditure	25,801	22,831
Inventories	34,732	36,752
Receivables, Deposit, Prepayments & Staff Advances	89,577	94,598
Tax recoverable	2,723	1,502
Cash and cash equivalents	13,347	11,459
Total current assets	166,179	167,142
TOTAL ASSETS:	261,734	264,664
EQUITY AND LIABILITIES		
Share capital	55,259	55,259
Reserves	7,405	7,927
Retained earnings	8,166	9,438
Owners of the Company	70,830	72,624
Non-Controlling interest	393	386
Total equity	71,223	73,010
Loan and borrowings	44,570	46,370
Deferred tax liabilities	4,308	5,504
Total non -current liabilities	48,878	51,874
Payables and Accruals	58,334	63,987
Loan and borrowings	83,124	75,781
Taxation	176	12
Total current liabilities	141,634	139,780
Total liabilities	190,511	191,654
TOTAL EQUITY AND LIABILITIES	261,734	264,664
Net Assets per share (RM)	0.64	0.66

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 2015.

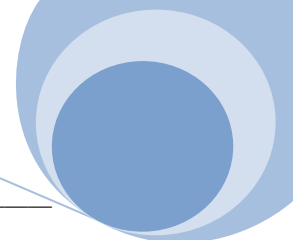


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

← Attributable to the owners of the Company →
← Non-distributable → Distributable

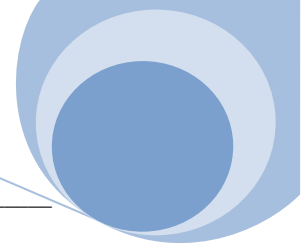
RM'000	Share capital	Share premium	Translation reserve	Revaluation reserve	Retained earnings	Total	Non-Controlling Interests	Total
At 1 January 2015, as previously stated	55,259	211	(1,777)	5,888	18,783	78,364	290	78,654
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	3,605	-	(9,345)	(5,740)	96	(5,644)
At 31 December 2015	55,259	211	1,828	5,888	9,438	72,624	386	73,010
At 1 January 2016	55,259	211	1,828	5,888	9,438	72,624	386	73,010
Total comprehensive income / (loss) for the period	-	-	(522)	-	(1,272)	(1,794)	7	(1,787)
At 31 March 2016	55,259	211	1,306	5,888	8,166	70,830	393	71,223

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 2015.



CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

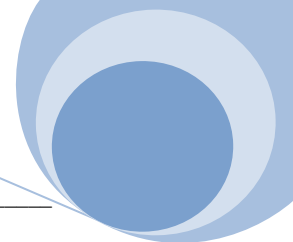
RM'000	Current Financial Period 31.03.2016 (Unaudited)	Preceding Year Corresponding Period 31.03.2015 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(1,099)	217
Adjustments for non-cash items:	4,587	4,520
Operating profit before working capital changes	3,488	4,737
Changes in working capital:		
Decrease / (Increase) in property development expenditure	(2,970)	(148)
Decrease / (Increase) in inventories	2,020	(1,730)
Decrease / (Increase) in receivables, deposits and prepayments	4,021	(7,091)
(Decrease) / Increase in payables	(6,852)	8,906
Cash (used in) / generated from operations	(293)	4,674
Interest received	47	22
Interest paid	(1,487)	(1,449)
Tax paid	(1,221)	(552)
Net cash flow (used in) / generated from operating activities:	(2,954)	2,695
Cash flows from investing activities		
Proceeds from disposal of intangible assets	-	-
Purchase of property, plant and equipment	(179)	(2,172)
Net cash flow used in investing activities	(179)	(2,172)
Cash flows from finance activities:		
Dividend paid	-	-
Net repayment of term loan and islamic financing	(1,652)	(214)
Net (Repayment) / Proceeds from bill payables	9,156	(6,703)
Net drawdown/(repayment) of hire purchase creditors	(155)	(194)
Net cash flow (used in) / generated from financing activities	7,349	(7,111)
Net changes in cash and cash equivalents	4,216	(6,588)
Exchange differences on translation of foreign subsidiary	(522)	879
Cash and cash equivalents at beginning of period	5,582	16,828
Cash and cash equivalents at end of period	9,276	11,119



CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016 (CONT'D)
(The figures have not been audited)

RM'000	Current Financial Period 31.03.2016 (Unaudited)	Preceding Year Corresponding Period 31.03.2015 (Unaudited)
Cash and cash equivalents comprises of:		
Cash and bank balances	13,347	17,896
Bank Overdraft	(4,071)	(6,777)
	9,276	11,119

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 2015.



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 2015 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:

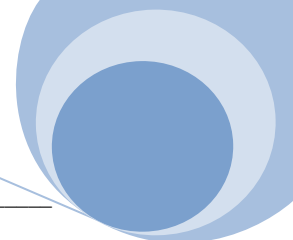
MFRS 9	Financial Instruments (effective from 1 January 2015)
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 132	Annual Improvements 2009-2011 Cycle
MFRS 134	Annual Improvements 2009-2011 Cycle

A3. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's Financial Statements for the year ended 31 December 2015 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 2015.

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.

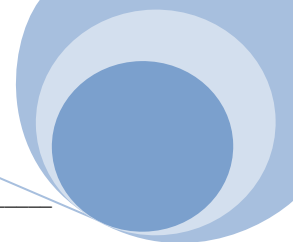
A8. Dividend Paid

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 31.03.2016	3 months ended 31.03.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	26,585	9,463	11,381	-	47,429	43,500
Inter-Segment Revenue	8,002	1,185	-	(9,187)	-	-
Total Revenue	34,587	10,649	11,381	(9,187)	47,429	43,500
Overseas Revenue	25,664	-	-	(4,200)	21,464	20,862
Local Revenue	8,923	10,649	11,381	(4,987)	25,965	22,639
Total Revenue	34,587	10,649	11,381	(9,187)	47,429	43,500
Segment Results	1,809	163	515	-	2,487	3,703
Interest Income	36	-	11	-	47	22
Depreciation and Amortisation	(1,225)	(864)	(57)	-	(2,146)	(2,059)
Finance Cost	(1,098)	(382)	(7)	-	(1,487)	(1,449)
Share of Profit in Associate Company	-	-	-	-	-	-
Profit / (Loss) Before Taxation	(478)	(1,083)	462	-	(1,099)	217
Taxation	(166)	-	-	-	(166)	(923)
Non-Controlling Interests	(39)	32	-	-	(7)	21
Profit / (Loss) for The Period Attributable to the Owners of the Company	(683)	(1,051)	462	-	(1,272)	(685)



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 31.3.2016 RM'000	As at 31.3.2015 RM'000
Contingent liabilities		
Corporate guarantee for credit facilities granted to subsidiaries	69,808	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 2015.

A14. Capital Commitments

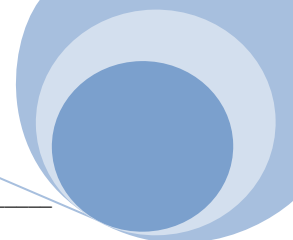
There are no outstanding capital commitments during the period under review.

A15. Recurrent Related Party Transactions

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

	Current Quarter Ended 31.3.2016 RM'000	Cumulative Quarter Ended 31.3.2015 RM'000
Transactions with a company connected to a Director		
- Supplying rubber compound and accessories	1,363	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

	Current Quarter	Preceding Corresponding Quarter	Cumulative Quarter	Cumulative Quarter
	31.3.2016 RM'000	31.3.2015 RM'000	31.3.2016 RM'000	31.3.2015 RM'000
Revenue	47,429	43,500	47,429	43,500
(Loss)/Profit before tax	(1,099)	217	(1,099)	217

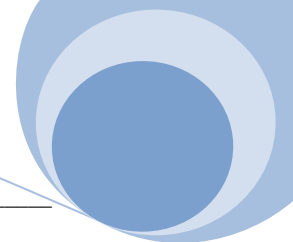
For the three months ended 31 March 2016, total revenues increased by about RM3.9 million from RM43.5 million. The increase is mainly from property development activities. Nevertheless, the Group registered loss before tax of RM1.1 million as compared to profit before tax of RM0.2 million in the previous year corresponding quarter mainly due to impairment loss of receivables of RM1 million.

B2. Variation of Results against Preceding Quarter

	Current Quarter Ended 31.3.2016 RM'000	Cumulative Quarter Ended 31.12.2015 RM'000
Revenue	47,429	47,406
Profit / (Loss) before tax	(1,099)	(3,222)

Revenue increased marginally by RM23,000 as compared to the immediate preceding quarter.

The current quarter registered a lesser loss before tax of RM1.1million, as compared to a loss before tax of RM3.2 million posted in the preceding quarter due mainly to the better gross margin generated in the current quarter under review.



B3. Prospects

The demand for the Group's rubber compounding and retreading business segments are expected to be challenging but necessary measures to capture new export market opportunities and effective cost control continue to be implemented to meet the challenging period. Nevertheless, the property development project is expected to generate favourable cashflow for the Group.

Hence, based on the above, the Board is cautiously optimistic for the Group performance in the year 2016.

B4. (Loss) / Profit Before Taxation

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

	Current Quarter	Preceding Corresponding Quarter	Cumulative Quarter Ended	Cumulative Quarter Ended
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Interest income	47	22	47	22
Interest expenses	(1,487)	(1,449)	(1,487)	(1,449)
Depreciation and amortisation	(2,146)	(2,059)	(2,146)	(2,059)
Impairment of receivables	1,000	-	1,000	-
Gain / (Loss) on foreign exchange	(573)	1,219	(573)	1,219

B5. Profit Forecast

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

B6. Taxation

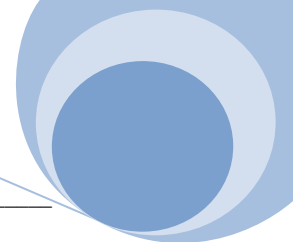
Taxation comprises the following:-

	Current Quarter	Preceding Corresponding Quarter	Cumulative Quarter Ended	Cumulative Quarter Ended
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current tax (expense)/credit	(166)	(923)	(166)	(923)

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 March 2016 are as follows:-

	As at 31.03.2016 (Unaudited)	As at 31.12.2015 (Audited)
	RM'000	RM'000
Non-Current		
-Borrowings (secured)	3,132	3,279
-Term loan (secured)	41,438	43,090
	44,570	46,369
Current		
-Borrowings (secured)	73,656	66,313
-Term loan (secured)	9,468	9,468
	83,124	75,781
Total	127,694	122,150

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.

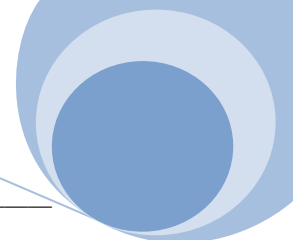
The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

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:

	As at 31.03.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
Retained Earnings		
-Realised	51,629	52,894
-Unrealised	(4,308)	(5,504)
	47,321	47,390
Less: Consolidation adjustments	(39,155)	(43,456)
	8,166	3,934

B13. Loss Per Ordinary Share (EPS)

	1 st Quarter Ended		Cumulative Quarter Ended	
	31.3.2016 RM'000	31.3.2015 RM'000	31.3.2016 RM'000	31.3.2015 RM'000
<u>Basic EPS</u>				
Net Loss attributable to the owner of the Company	(1,272)	(685)	(1,272)	(685)
Weighted average number of ordinary share	110,518	110,518	110,518	110,518
Basic loss per share (sen)	(1.15)	(0.62)	(1.15)	(0.62)

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: 30 May 2016