



**GOODWAY INTEGRATED INDUSTRIES BERHAD**  
**(Company No: 618972-T)**  
**(Incorporated in Malaysia)**

**Interim Financial Statements for the Period**  
**Ended 30 June 2020**  
**(Quarter IV)**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2020**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	3 months ended	3 months ended	12 months ended	12 months ended
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	4,024	11,167	19,038	55,305
Cost of sales	(1,164)	(25,361)	(19,453)	(69,607)
<b>Gross profit / (loss)</b>	2,860	(14,194)	(415)	(14,302)
Other operating income	2,066	1,869	5,270	2,865
Operating expenses	(4,881)	(4,132)	(15,471)	(12,065)
<b>Operating profit / (loss)</b>	45	(16,457)	(10,616)	(23,502)
Finance cost	(337)	(234)	(2,087)	(3,307)
<b>Loss before tax</b>	(292)	(16,691)	(12,703)	(26,809)
Taxation	-	(230)	-	(230)
<b>Loss for the period</b>	(292)	(16,921)	(12,703)	(27,039)
<b>Loss attributable to:</b>				
Equity holders of the Company	(292)	(16,984)	(12,702)	(27,128)
Non-controlling interest	-	63	(1)	89
	(292)	(16,921)	(12,703)	(27,039)
<b>Loss per share attributable to equity holders of the Company (sen)</b>				
- Basic loss per share	(0.18)	(15.37)	(8.04)	(24.55)
- 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 financial year ended 30 June 2019.*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2020**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 12 months ended	Preceding Year 12 months ended
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
<b>Loss for the period</b>	(292)	(16,921)	(12,703)	(27,039)
<b>Other comprehensive income:</b>				
Revaluation surplus, net of deferred tax	-	4,579	-	4,579
Foreign currency translation	119	(245)	(830)	(538)
	119	4,334	(830)	4,041
<b>Total comprehensive loss for the period</b>	<b>(173)</b>	<b>(12,587)</b>	<b>(13,533)</b>	<b>(22,998)</b>
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the Company	(173)	(12,650)	(13,533)	(23,087)
Non-controlling interest	-	63	-	89
	<b>(173)</b>	<b>(12,587)</b>	<b>(13,533)</b>	<b>(22,998)</b>

*The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 June 2019.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	(Unaudited) As at 30.06.2020	(Audited) As at 30.06.2019
	RM'000	RM'000
<b>ASSETS</b>		
Property, plant and equipment	68,759	72,295
Land held for development	7,412	7,412
<b>Total non current assets</b>	76,171	79,707
Inventories	9,033	10,489
Receivables, deposit & prepayments	42,338	25,264
Tax recoverable	542	779
Assets held for sales	-	6,800
Cash and bank balances	1,099	8,460
<b>Total current assets</b>	53,012	51,792
<b>TOTAL ASSETS:</b>	129,183	131,499
<b>EQUITY AND LIABILITIES</b>		
Share capital	63,847	58,011
Reserves	24,775	24,656
Accumulated losses	(69,272)	(56,569)
<b>Owners of the Company</b>	19,350	26,098
Non-controlling interest	(2,455)	(2,455)
<b>Total equity</b>	16,895	23,643
Loans and borrowings	13,760	19,657
Deferred tax liabilities	11,297	10,914
<b>Total non current liabilities</b>	25,057	30,571
Payables and accruals	54,615	32,739
Loans and borrowings	32,616	44,546
<b>Total current liabilities</b>	87,231	77,285
<b>Total liabilities</b>	112,288	107,856
<b>TOTAL EQUITY AND LIABILITIES</b>	129,183	131,499
<b>Net assets per share (RM)</b>	0.11	0.19

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 June 2019.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2020**

Amounts in RM'000	Attributable to equity holders of the Company				Total	Non-controlling	
	Non-distributable		Distributable			Interest	Total
	Share capital	Translation reserves	Revaluation reserves	Accumulated losses			
At 1 July 2018	55,470	397	19,117	(27,849)	47,135	(2,539)	44,596
Issue of shares during the year	2,541	-	-	-	2,541	-	2,541
Loss for the year	-	-	-	(27,128)	(27,128)	84	(27,044)
<b>Other Comprehensive Income for the year</b>							
-Revaluation of Leasehold land and Buildings	-	-	5,480	-	5,480	-	5,480
-Exchange difference on translation of foreign operations	-	(338)	-	-	(338)	-	(338)
- Effect of prior year adjustment	-	-	-	(1,592)	(1,592)	-	(1,592)
Total comprehensive (loss)/income for the financial year	2,541	(338)	5,480	(28,720)	(21,037)	84	(20,953)
<b>At 30 June 2019</b>	<b>58,011</b>	<b>59</b>	<b>24,597</b>	<b>(56,569)</b>	<b>26,098</b>	<b>(2,455)</b>	<b>23,643</b>
At 1 July 2019	58,011	59	24,597	(56,569)	26,098	(2,455)	23,643
Issuance of shares	5,836	-	-	-	5,836	-	5,836
Loss for the year	-	-	-	(12,703)	(12,703)	-	(12,703)
<b>Other Comprehensive Income for the year</b>							
-Exchange difference on translation of foreign operations	-	119	-	-	119	-	119
	-	119	-	(12,703)	(12,584)	-	(12,584)
<b>At 30 June 2020</b>	<b>63,847</b>	<b>178</b>	<b>24,597</b>	<b>(69,272)</b>	<b>19,350</b>	<b>(2,455)</b>	<b>16,895</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 June 2019.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2020**  
*(The figures have not been audited)*

	<b>(Unaudited)</b> <b>Period ended</b> <b>30.06.2020</b> <b>RM'000</b>	<b>(Audited)</b> <b>Period ended</b> <b>30.06.19</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(12,703)	(28,718)
Adjustments for non-cash items:	10,561	12,924
Operating loss before working capital changes	(2,142)	(15,794)
Changes in working capital:		
Decrease/(Increase) in inventories	1,455	1,843
(Increase)/Decrease in receivables, deposits and prepayments	(17,073)	23,439
Increase in payables and accruals	21,876	9,770
Cash generated from operations	4,116	19,258
Interest paid	(1,216)	(3,380)
Tax refunded/(paid)	236	(778)
Net cash flow (used in) / generated from operating activities:	3,136	15,100
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(55)	(1,781)
Proceeds from disposal of Assets held for sale	-	-
Proceeds from disposal of property, plant and equipment	412	345
Net cash flow from/(used in) investing activities	357	(1,436)
<b>CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES:</b>		
Net repayment of loans and borrowings	(15,799)	(11,469)
Net (repayment)/drawdown of hire purchase	(632)	(314)
Proceed from issuance of shares	5,836	2,542
Net cash flow used in financing activities	(10,595)	(9,241)
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes in cash and cash equivalents	(7,102)	5,245
Effects of foreign exchange translation	(119)	(281)
Cash and cash equivalents at beginning of period	5,214	250
<b>Cash and cash equivalents at end of period</b>	<b>(2,007)</b>	<b>5,214</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2020 (CONT'D)**  
*(The figures have not been audited)*

	<b>Period ended 30.06.2020 (Unaudited)</b>	<b>Period ended 30.06.19 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash and bank balances	1,110	8,460
Bank Overdraft	(3,117)	(3,246)
	<b>(2,007)</b>	<b>5,214</b>

*The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 June 2019.*

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A1. Basis of Preparation**

This interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” Rule 9.22 of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and issuers communication No. 1/2017-Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia. These interim financial statements should be read in conjunction with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the audited financial statements.

**A2. Summary of Significant Accounting Policies**

The significant accounting policies and method of computation applied in the unaudited interim financial statements are consistent with those adopted and disclosed in the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

**A3. Audit Report of Preceding Year’s Annual Financial Statements**

There were no audit qualifications in the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

**A4. Seasonal or Cyclical Factors**

The Group’s performance during the financial period under review was not materially affected by seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**A6. Changes in Estimates**

There were no material changes in estimates that have been used in the preparation of the interim financial statements or changes in estimates of amounts reported in the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

**A7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial period under review.

**A8. Dividend Paid**

There was no dividend paid by the Company during the financial period under review.



**GOODWAY INTEGRATED INDUSTRIES BERHAD (Company No: 618972-T)**  
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**A9. Segment Reporting**

Segmental information for the financial period under review is as follows:-

<u>Amounts in RM'000</u>	Property and Consolidation				12 months ended	12 months ended
	Compounding	Retreading	Others	Adjustments	30.06.2020 (Unaudited)	30.06.2019 (Unaudited)
External Revenue	13,460	5,725	423	(570)	19,038	55,305
Inter-Segment Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>13,460</b>	<b>5,725</b>	<b>423</b>	<b>(570)</b>	<b>19,038</b>	<b>55,305</b>
Overseas Revenue	268	-	-	-	268	19,351
Local Revenue	13,192	5,725	423	(570)	18,770	35,954
<b>Total Revenue</b>	<b>13,460</b>	<b>5,725</b>	<b>423</b>	<b>(570)</b>	<b>19,038</b>	<b>55,305</b>
Segment Results	(2,600)	1,385	(3,952)	-	(5,167)	(21,012)
Interest Income	-	-	-	-	-	-
Depreciation and Amortisation	(3,758)	(404)	(149)	-	(4,311)	(2,490)
Finance Cost	(3,015)	(169)	(40)	-	(3,224)	(3,307)
Profit/(Loss) Before Taxation	<b>(9,373)</b>	<b>812</b>	<b>(4,141)</b>	-	<b>(12,702)</b>	<b>(26,809)</b>
Taxation	-	-	-	-	-	(230)
<b>Non-controlling Interest</b>	-	-	-	-	-	(89)
<b>Profit/(Loss) for The Period</b>						
<b>Attributable to the equity holders of the Company</b>	<b>(9,373)</b>	<b>812</b>	<b>(4,141)</b>	-	<b>(12,702)</b>	<b>(27,128)</b>

**A10. Valuation of Property, Plant and Equipment**

The freehold and leasehold land and buildings of the Group are stated at fair value based on valuation performed by independent professional valuer on the open market value basis conducted in year 2019.

**A11. Significant Events During the Reporting Period**

The following significant events are proposed during the financial period under review.

1. On 1 April, the Board announced that the conditions precedent of the SSA dated 3 September 2019 has not been fulfilled within the timeframe stipulated therein, that is, on or before March 2020. The Group is refunding all monies paid by CKRI and CKRI shall have the directors appointed resign unconditionally. Solicitors from the Group have notified CKRI in writing.

The termination would not have any financial impact on Goodway and its subsidiaries.

2. On 10 April, the Board announced that after taking into consideration the current market and economic conditions, the Board decided not to proceed with the diversification and the implementation of the right issue with warrant.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period under review.

**A13. Contingent Liabilities and Contingent Assets**

	Company	
	As at 30.06.2020 (Unaudited) RM'000	As at 30.06.2019 (Audited) RM'000
<b>Contingent liabilities</b>		
Corporate guarantees for credit facilities granted to subsidiaries	64,560	43,772

**A14. Capital Commitments**

There are no outstanding capital commitments as at the end of the financial period under review.

**A15. Recurrent Related Party Transactions**

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

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
Current Year 3 months ended 30.06.2020 (Unaudited) RM'000	Preceding Year 3 months ended 30.06.2019 (Audited) RM'000	Current Year 12 months ended 30.06.2020 (Unaudited) RM'000	Preceding Year 12 months ended 30.06.2019 (Audited) RM'000

Transactions with a company connected to a Director

- Supplying rubber compound and accessories	-	-	278	643
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Related Party Transactions have been entered into in the ordinary course of business based on normal commercial terms and at arm's length. The total amount transacted for the period under review is within the Shareholders' mandate obtained on 30 June 2020.

**B. BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review of Performance**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 30.06.2020 (Unaudited) RM'000	Preceding Year 3 months ended 30.06.2019 (Audited) RM'000	Current Year 12 months ended 30.06.2020 (Unaudited) RM'000	Preceding Year 12 months ended 30.06.2019 (Audited) RM'000
Revenue	4,024	11,167	19,038	55,305
Loss before tax	(292)	(16,691)	(12,703)	(26,809)

The Group's total revenue for the current quarter under review has decreased RM7.1 million, recorded at RM4 million this quarter, compared to RM11.1 million in the preceding year corresponding quarter. The decrease was mainly caused by an unprecedented global lockdown due to the pandemic, which resulted in a significant reduction of revenue across all business units.

Loss before tax is recorded at RM12.7 million for current cumulative quarter under review, compared to RM26.8 million in the preceding year corresponding cumulative quarter. This is a result of a general reduction of expenditure during the Movement Control Order in addition to decreasing material prices.

**B2. Comparison with Preceding Quarter's Results**

	<b>Current Quarter ended 30.06.2020 (Unaudited) RM'000</b>	<b>Preceding Quarter ended 30.06.2019 (Audited) RM'000</b>
Revenue	4,024	11,167
Loss before tax	(292)	(16,691)

The Group revenue has decreased by RM7.1 million, from RM11.1 million in the preceding quarter to RM4 million in the current quarter. RM4.4 million decrease of revenue is reported by the rubber compound operation, which was RM8.4 million in the preceding quarter while RM3.9 million in the current quarter. Retread and other business have reported a low revenue of RM0.1 million.

A decrease of loss before tax of RM0.2 millions in current quarter is reported, compared to the loss before tax of RM16.7 million in preceding quarter.

**B3. Prospects for the Current Financial Year**

The Group's financial results for the final quarter of the financial year has been further impacted by the unprecedented global lockdown due to the pandemic. Even though Malaysia has gradually relaxed movement control orders, countries within the region and key customer bases of the Group such as Australia, Philippines and America are still in reinforced lockdown measures.

While it is still uncertain on when border control measures will be lifted, the Group has been focused on re-establishing local sales with our long term customers. During this time, the Group has also taken the opportunity to reorganise operations, recondition machinery and develop products with our key customers in preparation for a rebound in the market.

**B4. Loss before Taxation**

The loss before taxation is arrived at after charging the following items:-

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year 3 months ended 30.06.2020 (Unaudited) RM'000</b>	<b>Preceding Year 3 months ended 30.06.2019 (Unaudited) RM'000</b>	<b>Current Year 12 months ended 30.06.2020 (Unaudited) RM'000</b>	<b>Preceding Year 12 months ended 30.06.2019 (Unaudited) RM'000</b>
Gain/ (loss) on disposal of property, plant and equipment	320	(37)	312	(103)
Interest expenses	(340)	(1,191)	(2,087)	(3,307)
Depreciation and amortisation	(1,132)	(1,275)	(4,311)	(6,714)
Impairment of receivables	-	-	(12,064)	(281)
Impairment on obsolete inventory				(6,024)
Gain / (loss) on foreign exchange	(190)	(68)	(471)	(505)

**B5. Profit forecast or profit guarantee**

This is not applicable to the Group.

**B6. Taxation**

Taxation comprises the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 30.06.2020 (Unaudited) RM'000	Preceding Year 3 months ended 30.06.2019 (Unaudited) RM'000	Current Year 12 months ended 30.06.2020 (Unaudited) RM'000	Preceding Year 12 months ended 30.06.2019 (Unaudited) RM'000
Current tax expense	-	(230)	-	(230)
Deferred taxation	-	(1,446)	-	(1,446)
<b>Total taxation expense</b>	-	<b>(1,676)</b>	-	<b>(1,676)</b>

**B7. Status of Corporate Proposals**

There are no outstanding proposals during the financial period.

**B8. Group Loans and Borrowings**

The Group loans and borrowings as at 30 June 2020 are as follows:-

	As at period ended 30 June 2020			Amount in '000
	Long Term Borrowings	Short Term Borrowings	Total Borrowings	
	RM	RM	RM	
<b>Secured</b>				
Trade Facilities	-	22,160	22,160	
Overdraft	-	3,117	3,117	
Finance lease	-	97	97	
Term loans/Islamic financing	13,760	7,242	21,002	
<b>Total</b>	<b>13,760</b>	<b>32,616</b>	<b>46,376</b>	
	As at period ended 30 June 2019			Amount in '000
	Long Term Borrowings	Short Term Borrowings	Total Borrowings	
	RM	RM	RM	
<b>Secured</b>				
Trade Facilities	-	34,793	34,793	
Overdraft	-	2,175	2,175	
Finance lease	276	444	720	
Term loans/Islamic financing	17,883	8,442	26,325	
<b>Total</b>	<b>18,159</b>	<b>45,854</b>	<b>64,013</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 at the end of the financial period under review 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**

1. On 5 June, the Group has received Originating Summon KL High Court WA24-20-05/2020 by Premium Commodities Sdn. Bhd against Goodway Rubber Industries Sdn. Bhd, a subsidiary of Goodway Integrated Industries Berhad.
2. On 3 July, the Group has received the Sealed Writ No.: WA-22NCC-275-07/2020 and Statement of Claim from Asia Poly Industrial Sdn. Bhd against Goodway Rubber Industries Sdn. Bhd, a subsidiary of Goodway Integrated Industries Berhad.
3. On 12 August, the Group has received the Sealed Writ of Summons No.: BKI-A52NCvC-79/07-2020 and Statement of Claim from Purcon (M) Sdn. Bhd against Big Wheel Green Tyres Sdn. Bhd, a subsidiary of Goodway Integrated Industries Berhad.

The Group is seeking the necessary legal advice to resolve and/or defend against the summon.

**B11. Proposed Dividend**

There was no dividend declared for the current financial period under review.

**B12. Accumulated Losses**

The realised and unrealised losses of the Group are as follows:-

	<b>As at 30.06.2020 (Unaudited)</b>	<b>As at 30.06.2019 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Accumulated losses		
-Realised	(47,009)	(34,690)
-Unrealised	(11,297)	(10,914)
	(58,306)	(45,604)
Less: Consolidation adjustments	(10,966)	(10,965)
	(69,272)	(56,569)

**GOODWAY INTEGRATED INDUSTRIES BERHAD (Company No: 618972-T)**  
**(Incorporated in Malaysia)**

**B13. Loss per ordinary share [LPS]**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2020 (Unaudited) RM'000	30.06.2019 (Unaudited) RM'000	30.06.2020 (Unaudited) RM'000	30.06.2019 (Unaudited) RM'000
	<b>Basic LPS</b>			
Net loss attributable to the Equity holders of the Company	<b>(292)</b>	(16,984)	(12,552)	(27,128)
Weighted average number of ordinary shares brought forward as at 01 July 2019	158,040	121,569	158,040	<b>121,569</b>
<b>Basic loss per share (sen)</b>	<b>(0.18)</b>	<b>(13.97)</b>	<b>(7.94)</b>	<b>(22.31)</b>

**Diluted LPS**

Not applicable as the Company does not have dilutive ordinary shares in issue.

By order of the Board  
**GOODWAY INTEGRATED INDUSTRIES BERHAD**  
 LEW SZE HOW  
 Independent Non-Executive Director  
 Audit and Risk Management Committee Chairman  
 Selangor Darul Ehsan  
 Date: 21/08/2020