



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

Interim Financial Statements for the Period
Ended 30 September 2020
(Quarter V)

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	3 months ended	Corresponding quarter	15 months ended	Corresponding period
	30.09.2020	30.09.2019	30.09.2020	30.06.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	7,732	5,279	27,038	45,827
Cost of sales	(5,684)	(6,694)	(26,906)	(63,532)
Gross profit / (loss)	2,048	(1,415)	132	(17,705)
Other operating income	2,028	402	7,715	7,583
Operating expenses	(6,915)	(2,810)	(20,580)	(15,263)
Operating loss	(2,839)	(3,823)	(12,733)	(25,385)
Finance cost	(312)	(704)	(2,172)	(3,333)
Loss before tax	(3,151)	(4,527)	(14,905)	(28,718)
Taxation	-	-	-	82
Loss for the period	(3,151)	(4,527)	(14,905)	(28,636)
Loss attributable to:				
Equity holders of the Company	(3,149)	(4,526)	(14,931)	(28,720)
Non-controlling interest	(2)	(1)	26	84
	(3,151)	(4,527)	(14,905)	(28,636)
Loss per share attributable to equity holders of the Company (sen)				
- Basic loss per share	(1.99)	(3.72)	(9.45)	(23.62)
- Diluted loss per share	NA	N/A	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.

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year Corresponding quarter	Current Year 15 months ended	Preceding Year Corresponding period
	30.09.2020	30.09.2019	30.09.2020	30.06.2019
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Audited) RM'000
Loss for the period	(3,151)	(4,527)	(14,905)	(28,636)
Other comprehensive income:				
Revaluation surplus, net of deferred tax	-	-	-	5,479
Foreign currency translation	66	830	184	(338)
	66	830	184	5,141
Total comprehensive loss for the period	(3,085)	(3,697)	(14,721)	(23,495)
Total comprehensive loss attributable to:				
Equity holders of the Company	(3,083)	(3,696)	(14,747)	(23,579)
Non-controlling interest	(2)	(1)	26	84
	(3,085)	(3,697)	(14,721)	(23,495)

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.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	(Unaudited) As at 30.09.2020	(Audited) As at 30.06.2019
	RM'000	RM'000
ASSETS		
Property, plant and equipment	67,280	72,295
Land held for development	7,412	7,412
Total non current assets	74,692	79,707
Inventories	7,866	10,489
Receivables, deposit & prepayments	47,132	25,264
Tax recoverable	317	779
Assets held for sales	-	6,800
Deposit with licensed bank	6,000	-
Cash and bank balances	1,296	8,460
Total current assets	62,611	51,792
TOTAL ASSETS:	137,303	131,499
EQUITY AND LIABILITIES		
Share capital	63,847	58,011
Reserves	24,840	24,656
Accumulated losses	(71,500)	(56,569)
Owners of the Company	17,187	26,098
Non-controlling interest	(2,429)	(2,455)
Total equity	14,758	23,643
Loans and borrowings	19,161	19,657
Deferred tax liabilities	10,907	10,914
Total non current liabilities	30,068	30,571
Payables and accruals	69,904	32,739
Loans and borrowings	22,573	44,546
Total current liabilities	92,477	77,285
Total liabilities	122,545	107,856
TOTAL EQUITY AND LIABILITIES	137,303	131,499
Net assets per share (RM)	0.09	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 SEPTEMBER 2020**

Attributable to equity holders of the Company

Amounts in RM'000	Non-distributable		Distributable		Total	Non-controlling	
	Share capital	Translation reserves	Revaluation reserves	Accumulated losses		Interest	Total
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)
Other Comprehensive Income for the year							
- 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)
At 30 June 2019	58,011	59	24,597	(56,569)	26,098	(2,455)	23,643
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	-	-	-	(14,931)	(14,931)	26	(14,905)
Other Comprehensive Income for the year							
-Exchange difference on translation of foreign operations	-	184	-	-	184	-	184
	-	184	-	(14,931)	(14,747)	26	(14,721)
At 30 September 2020	63,847	243	24,597	(71,500)	17,187	(2,429)	14,758

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 SEPTEMBER 2020
(The figures have not been audited)

	(Unaudited) Period ended 30.09.2020 RM'000	(Audited) Period ended 30.06.19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(14,905)	(28,718)
Adjustments for non-cash items:	6,091	12,924
Operating loss before working capital changes	(8,814)	(15,794)
Changes in working capital:		
Decrease in inventories	2,622	1,843
(Increase)/Decrease in receivables, deposits and prepayments	(21,867)	23,439
Increase in payables and accruals	30,811	9,770
Cash generated from operations	2,752	19,258
Interest paid	(371)	(3,380)
Tax refunded/(paid)	462	(778)
Net cash flow generated from operating activities:	2,843	15,100
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,420)	(1,781)
Proceeds from disposal of Assets held for sale	708	-
Proceeds from disposal of property, plant and equipment	6,800	345
Net cash flow generated from/(used in) investing activities	6,088	(1,436)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Net repayment of loans and borrowings	(14,491)	(11,469)
Net (repayment)/drawdown of hire purchase	(696)	(314)
Proceed from issuance of shares	5,835	2,542
Net cash flow used in financing activities	(9,352)	(9,241)
CASH AND CASH EQUIVALENTS		
Net changes in cash and cash equivalents	(421)	5,245
Effects of foreign exchange translation	184	(281)
Cash and cash equivalents at beginning of period	5,214	250
Cash and cash equivalents at end of period	4,977	5,214

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

	Period ended 30.09.2020 (Unaudited)	Period ended 30.06.19 (Audited)
	RM'000	RM'000
Cash and cash equivalents comprises of:		
Cash and bank balances	1,296	8,460
Pledged deposits	6,000	-
Bank Overdraft	(2,319)	(3,246)
	4,977	5,214

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. Change of Financial Year Ended

On 27 October 2020, the Company announced that the Board of Directors of the Company has approved the change of financial year end from 30 June to 31 December. Thus, the financial statements will be presented up from 1 July 2019 to 31 December 2020 covering a period of 18 months.

A4. 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.

A5. Seasonal or Cyclical Factors

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

A6. Unusual Items

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

A7. 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.

A8. Debt and Equity Securities

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

A9. Dividend Paid

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

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

A10. Segment Reporting

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

<u>Amounts in RM'000</u>	Compounding	Retreading	Property and Others	Consolidation Adjustments	15 months ended 30.09.2020 (Unaudited)	12 months ended 30.06.2019 (Audited)
External Revenue	19,192	7,993	423	(570)	27,038	45,827
Inter-Segment Revenue	-	-	-	-	-	-
Total Revenue	19,192	7,993	423	(570)	27,038	45,827
Overseas Revenue	336	-	-	-	336	21,361
Local Revenue	18,856	7,993	423	(570)	26,702	24,466
Total Revenue	19,192	7,993	423	(570)	27,038	45,827
Segment Results	(4,626)	3,440	(5,764)	-	(6,950)	(19,196)
Interest Income	-	-	-	-	-	23
Depreciation and Amortisation	(4,630)	(1,047)	(158)	-	(5,835)	(6,356)
Finance Cost	(1,908)	(223)	(41)	-	(2,172)	(3,357)
Profit/(Loss) Before Taxation	(11,164)	2,170	(5,963)	-	(14,957)	(28,886)
Taxation	-	-	-	-	-	82
Non-controlling Interest	-	-	-	26	26	84
Profit/(Loss) for The Period Attributable to the equity holders of the Company	(11,164)	2,170	(5,963)	26	(14,931)	(28,720)

A11. 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.

A12. Significant Events During the Reporting Period

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

1. On 21 August 2020, on behalf of Board, AmInvestment Bank Berhad announced that GIIB propose to undertake the following proposals:
 - i) Proposed settlement of debts due to certain shareholders and/or Directors of GIIB and its subsidiaries amounting to approximately RM16 million via the issuance of 94,118,000 new ordinary shares in GIIB representing approximately 26% of the enlarged share capital.
 - ii) Proposed allotment and issuance of 94,976,471 new GIIB shares representing approximately 26% of the enlarged share capital to third party investors
 - iii) Proposed private placement of up to 15,804,002 new GIIB shares representing 10% of the existing total number of issued shares
2. On 30 September 2020, on behalf of Board, AmInvestment Bank Berhad announced that Bursa had approved the listing of and quotation for 189,094,260 new GIIB shares to be issued pursuant to the proposed debt capitalization and proposed share issuance and up to 15,804,002 new GIIB shares to be issued pursuant to the proposed private placement.

A13. Significant Subsequent to the End of Reporting Period

1. An Extraordinary General Meeting (EGM) was held on 5 November 2020 for the purpose of obtaining shareholders' approval for Debt Capitalisation and New Issuance of Shares. On the same day of the EGM, the Board announced that all the resolutions were duly passed. On 10 November 2020, the company announced the above proposals are completed following the listing of 189,094,260 GIIB shares on the Main Market of Bursa Malaysia.
2. On 9 November 2020, the Board announced that the company is proposing a change of Company name from "Goodway Integrated Industries Berhad" to "GIIB Holdings Berhad" and proposed amendments to the constitution of the Company at the forthcoming Extraordinary General Meeting on 4th December 2020.

A14. Changes in the Composition of the Group

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

A15. Contingent Liabilities and Contingent Assets

	Company	
	As at 30.09.2020 (Unaudited) RM'000	As at 30.06.2019 (Audited) RM'000
Contingent liabilities		
Corporate guarantees for credit facilities granted to subsidiaries	57,931	43,772

A16. Capital Commitments

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

A17. Recurrent Related Party Transactions

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 30.09.2020 (Unaudited) RM'000	Preceding Year Corresponding 30.09.2019 RM'000	Current Year 15 months ended 30.09.2020 (Unaudited) RM'000	Preceding Year Corresponding 30.06.2019 (Audited) RM'000
Transactions with a company connected to a Director				
- Supplying rubber compound and accessories	-	223	278	643

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	Preceding Year 3 months ended	Current Year 15 months ended	Preceding Year 12 months ended
	30.09.2020 (Unaudited) RM'000	30.09.2019 (Unaudited) RM'000	30.09.2020 (Unaudited) RM'000	30.06.2019 (Audited) RM'000
Revenue	7,732	5,279	27,038	45,827
Loss before tax	(3,151)	(4,527)	(14,905)	(28,718)

The Group's total revenue for the current quarter under review is RM7.7 million compared to RM5.3 million in the preceding year corresponding quarter. The improvement in revenue is from increased sales efforts and focus on higher value products.

The Group incurred a loss before tax of RM3.1 million during the current quarter under review compared to a loss before tax of RM4.5 million in the preceding year corresponding quarter. The loss of the Group has decreased due to a rebound of sales revenue and economies of scale.

B2. Comparison with Preceding Quarter's Results

	Current Quarter ended 30.09.2020 (Unaudited) RM'000	Preceding Quarter ended 30.06.2020 (Audited) RM'000
Revenue	7,732	4,024
Loss before tax	(3,151)	(292)

For the current quarter, the revenue improved by RM3.7 million due to relaxation of Recovery Movement Control Order (RMCO) in Malaysia and trade has slowly resumed in some countries.

Loss before tax increased by 2.86 million due to an increase of material prices as well as previous quarter losses before tax which were reduced by other income attributed from rental income.

B3. Prospects for the Current Financial Year

The Group's financial results continues to be impacted by further extensions of the RMCO and more intense global lockdown measures in customer countries. The Group continues to increase cost cutting measures to further enhance cost efficiency within the group.

Multiple countries such as Malaysia, Indonesia and India has entered technical recession, signalling a contraction of demand. In the current financial year, the Group is cautious on the economic prospect and aims to position the company to weather through a possible global economic downturn. The Board continues to seek products and businesses that can increase revenue and profitability of the company.

B4. Loss before Taxation

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 30.09.2020 (Unaudited)	Preceding Year Corresponding quarter 30.09.2019	Current Year 15 months ended 30.09.2020 (Unaudited)	Preceding Year Corresponding period 30.06.2019 (Audited)
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(1,524)	(1,605)	(5,835)	(6,356)
Impairment of receivables	-	-	(12,064)	(126)
Impairment of property, plant and equipment	-	-	-	(1,059)
Impairment on obsolete inventory	-	-	-	(3,292)
Gain / (loss) on foreign exchange	29	(18)	(546)	(505)
Gain/ (loss) on disposal of property, plant and equipment	-	-	312	24
Reversal of impairment loss and inventories written down	-	-	-	1,226
Interest expenses	(312)	(704)	(2,172)	(3,357)

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 30.09.2020 (Unaudited)	Preceding Year Corresponding quarter 30.09.2019 (Unaudited)	Current Year 15 months ended 30.09.2020 (Unaudited)	Preceding Year Corresponding period 30.06.2019 (Audited)
	RM'000	RM'000	RM'000	RM'000
Current tax expense	-	-	-	454
Deferred taxation	-	-	-	(372)
Total taxation expense	-	-	-	82

B7. Status of Corporate Proposals

With reference to A12 and A13 mentioned above, the status of the corporate proposals as at 13 November 2020 is as follow:

1. Proposal of debts capitalization, allotment and issuance of new shares and private placement

On 21 August 2020 by AmInvestment Bank on behalf of the Board proposed to undertake the proposals, Bursa Securities had vide its letter dated 29 September 2020 approved the proposals.

An EGM was held on 5 November 2020 and the outcome of the EGM that all the resolutions were duly passed was announced by the Board on the same day. The proposals are completed on 10 November 2020.

2. Proposal of changes of Company name and amendments to the constitution of the Company

The proposal is expected to complete during the Extraordinary General Meeting (EGM) on 4 December 2020.

B8. Group Loans and Borrowings

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

	As at period ended 30 September 2020			Amount in '000
	Long Term Borrowings	Short Term Borrowings	Total Borrowings	
	RM	RM	RM	
Secured				
Trade Facilities	-	20,217	20,217	
Overdraft	-	2,318	2,318	
Finance lease	-	38	38	
Term loans/Islamic financing	11,919	7,242	19,161	
Total	11,919	29,815	41,734	
	As at period ended 30 June 2019			Amount in '000
	Long Term Borrowings	Short Term Borrowings	Total Borrowings	
	RM	RM	RM	
Secured				
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	
Total	18,159	45,854	64,013	

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

There was no material litigation during the current financial period under review.

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:-

	As at 30.09.2020 (Unaudited)	As at 30.06.2019 (Audited)
	RM'000	RM'000
Accumulated losses		
-Realised	(71,500)	(34,690)
-Unrealised	(10,907)	(10,914)
	<u>(82,407)</u>	<u>(45,604)</u>
Less: Consolidation adjustments	10,907	(10,965)
	<u>(71,500)</u>	<u>(56,569)</u>

B13. Loss per ordinary share [LPS]

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2020	30.09.2019	30.06.2020	30.06.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Basic LPS				
Net loss attributable to the Equity holders of the Company	<u>(3,151)</u>	(4,526)	(14,905)	(28,636)
Weighted average number of ordinary shares brought forward as at 01 July 2019	158,040	121,569	158,040	121,569
Basic loss per share (sen)	(1.99)	(3.72)	(9.45)	(23.62)

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: 27 November 2020