

## **RESPONSIBILITY STATEMENTS**

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS, PROMOTERS AND OFFERORS OF GOODWAY INTEGRATED INDUSTRIES BERHAD ("GOODWAY INTEGRATED" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING AND ARE SATISFIED THAT ANY PROFIT FORECAST (FOR WHICH THE DIRECTORS OF GOODWAY INTEGRATED ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

## **STATEMENTS OF DISCLAIMER**

THE SECURITIES COMMISSION HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF GOODWAY INTEGRATED AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD) SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, CORPORATION OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

## INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for Goodway Integrated's entire enlarged share capital on the Second Board of Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) is set out below: -

<u>Date</u>	<u>Event</u>
23 June 2004	: Issue of Prospectus/Opening date of the IPO
30 June 2004	: Closing date of the IPO
2 July 2004	: Tentative date for balloting of applications
12 July 2004	: Tentative listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE THE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 30 JUNE 2004 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS, PROMOTERS AND OFFERORS OF GOODWAY INTEGRATED TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

SHOULD THE CLOSING DATE OF THE AFORESAID APPLICATION BE EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT AND LISTING OF GOODWAY INTEGRATED'S ENTIRE ISSUED AND PAID-UP SHARE CAPITAL ON THE SECOND BOARD OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD) MIGHT BE EXTENDED ACCORDINGLY AND CHANGES TO THE APPLICATION PERIOD FOR THE PUBLIC ISSUE AND OFFER FOR SALE WILL BE NOTIFIED TO THE PUBLIC VIA AN ADVERTISEMENT IN A DAILY BAHASA MALAYSIA AND ENGLISH NEWSPAPERS.

## DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings: -

Act	: The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
Acquisition	: The acquisition by Goodway Integrated of 100% of the issued and paid up share capital of Goodway Rubber, comprising of 12,458,482 ordinary shares of RM1.00 each, for a total consideration of RM31,577,998 satisfied by the issuance of 63,155,996 new Goodway Integrated shares of RM0.50 each credited as fully paid up at an issue price of RM0.50 per share
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
AFTA	: Asian Free Trade Area
ASEAN	: Association of South East Asian Nations
AUD	: Australian Dollar
AmMerchant Bank	: AmMerchant Bank Berhad (23742-V)
Application	: The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	: The printed Application Form(s) for the application for the IPO Shares
BDOCC	: BDO Capital Consultants Sdn Bhd (405309-T)
BIMB Holdings	: BIMB Holdings Berhad (423858-X)
BIMBMS	: BIMB Musyarakah Satu Sdn Bhd (538579-A)
Board	: Board of Directors of Goodway Integrated
Bursa Malaysia	: Bursa Malaysia Securities Berhad (635998-W) (Formerly known as Malaysia Securities Exchange Berhad)
CAV	: Commerce Asset Ventures Sdn Bhd (330858-U)
CAHB	: Commerce Asset-Holding Berhad (50841-W)
CCM	: Companies Commission of Malaysia
CDS	: Central Depository System
CEO	: Chief Executive Officer
Central Depositories Act	: The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
Central Depository or BMD	: Bursa Malaysia Depository Sdn Bhd, formerly known as Malaysian Central Depository Sdn. Bhd. (165570-W), a subsidiary of Bursa Malaysia
CTV	: Commerce Technology Ventures Sdn Bhd (512485-M)

**DEFINITIONS (Cont'd)**

Date of Offer	: The date on which an offer is made by the ESOS committee to an employee in the manner provided in bye-law 7 of the ESOS bye-laws
Deposited Security	: A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	: A holder of a Securities Account
Directors	: Directors of Goodway Integrated
EBIDTA	: Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	: An application for the IPO Shares through Participating Financial Institutions
EPF	: Employees Provident Fund Board
EPS	: Earnings per share
ESOS	: Employee Share Option Scheme
FIC	: Foreign Investment Committee
GRG	: General Rubber Goods
GK	: Gummiwerk Kraiburg Produktions GmbH
Goodway Australia	: Goodway Rubber Co. Pty Ltd (ABN 45 061 172 398 – being the Australian company number), an 80% subsidiary of Goodway Integrated
Goodway Integrated or the Company	: Goodway Integrated Industries Berhad (618972-T) (Formerly known as Prosperous Image Berhad)
Goodway Integrated Group or the Group	: Goodway Integrated and its subsidiary corporations
Goodway Marketing	: Good Way Marketing Sdn Bhd (354537-H), a wholly owned subsidiary of Goodway Integrated
Goodway Rubber	: Good Way Rubber Industries Sdn Bhd (147222-D), a wholly owned subsidiary of Goodway Integrated
Goodway Technology	: Goodway Rubber Technology Sdn Bhd (466216-D), a wholly owned subsidiary of Goodway Integrated
HISB	: Heveama Industries Sdn Bhd (In Liquidation) (167247-M)
IPO	: Initial Public Offering, namely the Offer for Sale and Public Issue
IPO Price	: RM1.25 for each IPO Share
IPO Shares	: The Public Issue Shares and Offer Shares, collectively
IRG	: Industrial Rubber Goods



**DEFINITIONS (Cont'd)**

ISO	:	International Organization for Standardization
Kilotrac	:	Kilotrac Industries Sdn Bhd (205568-V), a wholly owned subsidiary of Goodway Integrated
Listing	:	Admission to the Official List and the listing of and quotation for the entire issued and paid up share capital of Goodway Integrated of RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each on Bursa Malaysia
Listing Requirements	:	Bursa Malaysia Listing Requirements
Listing Scheme	:	The Acquisition, Public Issue, Offer for Sale and Listing collectively
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
M.B.	:	Master Batch
MI	:	Minority interest
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (Company No. 258345-X)
MITI	:	Ministry of International Trade and Industry
MSSB	:	Massive Structure Sdn Bhd (595264-V)
NR	:	Natural Rubber
NTA	:	Net tangible assets
NZD	:	New Zealand Dollar
Offer For Sale or Offer	:	Offer for sale by the Offerors of 12,328,000 ordinary shares of RM0.50 each in Goodway Integrated, at an offer price of RM1.25 per ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus
Offerors	:	MSSB, Tai Boon Wee, Lee Fook Seng, Tim Heok Lin, Ngok Seng Lee, Wong Ping Kiong, Wong Siew Pay, CAV, CTV and BIMBMS collectively. Their respective portion of the Offer Shares are as follows: -

<b>Offerors</b>	<b>No. of Offer Shares</b>	<b>% of enlarged share capital</b>
MSSB	1,062,870	1.33
Tai Boon Wee	4,853,534	6.07
Lee Fook Seng	1,583,188	1.98
Tim Heok Lin	463,728	0.58
Ngok Seng Lee	316,636	0.40
Wong Ping Kiong	178,114	0.22
Wong Siew Pay	49,476	0.06
CAV	1,849,200	2.31
CTV	738,454	0.92
BIMBMS	1,232,800	1.54
<b>Total</b>	<b>12,328,000</b>	<b>15.41</b>

**DEFINITIONS (Cont'd)**

Offer Shares	: The 12,328,000 ordinary shares of RM0.50 each in Goodway Integrated which are the subject of the Offer For Sale
Official List	: Means the list specifying all securities which have been admitted for listing on Bursa Malaysia and not removed
OTR	: Off the Road
PAT	: Profit after taxation
Participating Financial Institution(s)	: Refers to the participating financial institutions for Electronic Share Application as listed in Section 14 of this Prospectus
PBT	: Profit before taxation
PNB	: Permodalan Nasional Berhad (38218-X)
PE Multiple	: Price earnings multiple
Promoter(s)	: MSSB, Tai Boon Wee, Lee Fook Seng, Tim Heok Lin, Wong Ping Kiong, CAV, CTV and BIMBMS collectively
PTL	: Precured Tread Liners
Public Issue	: The public issue of 16,844,000 new ordinary shares of RM0.50 each in Goodway Integrated at an issue price of RM1.25 per new ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus
Public Issue Shares	: The 16,844,000 new ordinary shares of RM0.50 each in Goodway Integrated which are the subject of the Public Issue
QAD	: Quality Assurance Department
R&D	: Research and development
Record of Depositors	: A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
RM and sen	: Ringgit Malaysia and sen respectively
ROC	: Registrar of Companies, Malaysia
Rules	: The Rules of the Central Depository
SC	: Securities Commission
SC Guidelines	: SC's Policies and Guidelines on Issue/Offer of Securities
Securities Account	: An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
SR	: Synthetic Rubber
TH	: Lembaga Tabung Haji
TPM	: Total Production Management

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**DEFINITIONS (Cont'd)**

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Underwriting Agreement	:	The Underwriting Agreement dated 15 June 2004 between the Company, the Offerors and the Managing Underwriter and Underwriter for the underwriting of 15,172,000 IPO Shares for an underwriting commission of 2.0% of the IPO price of RM1.25 per share.
USA	:	United States of America
USD	:	United States Dollar
WIP	:	Work in Progress
YPB	:	Yayasan Pelaburan Bumiputra

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>Nationality / Profession</b>
Raja Shamsul Kamal Bin Raja Shahrizzaman	Chairman / Non-Executive Non-Independent Director	1, Jalan 4/6, 40000 Shah Alam Selangor Darul Ehsan	Malaysian / CEO, Venture Capitalist
Tai Boon Wee	CEO / Group Managing Director	12A, Jalan TR9/3 Green Acres Tropicana Golf and Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian / CEO / Group Managing Director
Wong Ping Kiong	Executive Director	84, Jalan USJ 6/2B 47610 Subang Jaya Selangor Darul Ehsan	Malaysian / Executive Director
Mohd Jafni Bin Mohd Alias	Non-Executive Non-Independent Director	41, Jalan Mulia 2/3, Taman Mulia, Bukit Antarabangsa 68000 Ampang Selangor Darul Ehsan	Malaysian / Associate, Venture Capitalist
Nor Idzam Bin Ya'akub	Non-Executive Non-Independent Director	2, Jalan Bakubang Medan Idaman 53100 Kuala Lumpur	Malaysian / CEO, Venture Capitalist
Adi Arman Bin Abu Osman (An alternate director for Nor Idzam Bin Ya'akub)	Non-Executive Non-Independent Director	12, Jalan 1/7 F Bandar Baru Bangi 43650 Bangi Selangor Darul Ehsan	Malaysian / Investment Manager, Venture Capitalist
Mok Yuen Lok	Independent Non-Executive Director	23, Jalan Penaga Bukit Bandaraya Bangsar 59100 Kuala Lumpur	Malaysian / Chartered Accountant
Ismail Bin Mahayudin	Independent Non-Executive Director	24, Jalan Sultan Salahuddin Abdul Aziz Shah 9/6 40100 Shah Alam Selangor Darul Ehsan	Malaysian / Director

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Mok Yuen Lok	Chairman of Audit Committee	Independent Non-Executive Director
Wong Ping Kiong	Member of Audit Committee	Executive Director
Ismail Bin Mahayudin	Member of Audit Committee	Independent Non-Executive Director



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**CORPORATE DIRECTORY (Cont'd)**

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- COMPANY SECRETARIES** : Lim Hooi Mooi  
MAICSA 0799764  
28, Jalan 20/7  
46300 Petaling Jaya  
Selangor Darul Ehsan
- Teoh Kok Jong  
LS 04719  
F1002A, Block F Perdana Condominium  
15, Jalan PJU 8/1  
Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan
- REGISTERED OFFICE** : Suite 13A-2, Menara Uni.Asia  
1008, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Telephone No. : 603-2697-7611  
Facsimile No. : 603-2697-7311
- HEAD / MANAGEMENT OFFICE** : 29-7, The Boulevard Offices  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Telephone No. : 603-2284-9322  
Facsimile No. : 603-2284-9122  
E-mail : [goodway@goodway-integrated.com](mailto:goodway@goodway-integrated.com)  
Website : <http://www.goodway-integrated.com>
- : Lot PT 1654 & PT 1657, Nilai Industrial Estate  
71800 Nilai, Negeri Sembilan Darul Khusus  
Telephone No. : 606-799-4833  
Facsimile No. : 606-799-4866
- REGISTRARS AND TRANSFER OFFICE** : Malaysian Share Registration Services Sdn Bhd (378993-D)  
Level 26 Menara Multi-Purpose  
Capital Square  
8 Jalan Munshi Abdullah  
50100 Kuala Lumpur
- AUDITORS AND REPORTING ACCOUNTANTS** : KPMG  
(AF 0758)  
Wisma KPMG, Jalan Dungun  
Damansara Heights  
50490 Kuala Lumpur
- SOLICITORS FOR THE PUBLIC OFFERING** : Jeff Leong, Poon & Wong  
A-11-3A, Level 11, Megan Avenue II  
Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Telephone No. : 603-2166 3225  
Facsimile No. : 603-2166 3227  
E-mail: [jlpw@ilpw.com.my](mailto:jlpw@ilpw.com.my)



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**CORPORATE DIRECTORY (Cont'd)**

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- MARKET RESEARCHER** : BDO Capital Consultants Sdn Bhd (405309-T)  
12<sup>th</sup> Floor Menara Uni.Asia  
1008, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Telephone No. : 603-2616 2828  
Facsimile No. : 603-2616 2829  
E-mail: bdobcc@tm.net.my
- PRINCIPAL BANKERS** : Malayan Banking Berhad (3813-K)  
Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur
- : Bumiputra-Commerce Bank Berhad (13491-P)  
Corporate Banking  
22<sup>nd</sup> and 23<sup>rd</sup> Floor Menara Bumiputra  
No. 21, Jalan Melaka  
50100 Kuala Lumpur
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Telephone No. : 603-2693 2075  
Facsimile No. : 603-2693 0858
- ADVISER AND MANAGING UNDERWRITER** : AmMerchant Bank Berhad (23742-V)  
22nd Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Telephone No. : 603-2078 2633/44/55  
Facsimile No. : 603-2070 8596
- UNDERWRITERS** : AmMerchant Bank Berhad (23742-V)  
22nd Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Telephone No. : 603-2078 2633/44/55  
Facsimile No. : 603-2070 8596 / 2032 4960
- : KAF-Seagroatt & Campbell Securities Sdn Bhd (134631-U)  
30th Floor, Menara Weld  
No. 76, Jalan Raja Chulan  
50200 Kuala Lumpur  
Telephone No. : 603-2020 1600  
Facsimile No. : 603-2072 3464
- LISTING SOUGHT** : Second Board of Bursa Malaysia

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## **1. INFORMATION SUMMARY**

**THE INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE SHARES OF THE COMPANY. THE INFORMATION SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.**

### **1.1 HISTORY AND BUSINESS**

Goodway Integrated was incorporated in Malaysia under the Companies Act, 1965 on 19 June 2003 as a private limited company under the name of Prosperous Image Sdn Bhd. Subsequently, on 9 September 2003, it was converted to a public limited company and assumed its present name on 15 October 2003.

The Group is principally involved in the development, manufacturing and distribution of technical compounds, tyre compounds and other rubber related products. The Group also provides retreading services.

The Group commenced its business in 1990 in the state of Sabah, through Goodway Rubber. Subsequently, following a technology transfer joint venture with GK, the operations in Sabah were moved to the Nilai Industrial Estate, in Peninsular Malaysia. In 1991, as part of Goodway Rubber's plan to carry out research and development activities and provide training on the retreading process to its customers, Goodway Rubber acquired a 46.15% equity stake in Kilotrak.

In 1998, to consolidate its overseas operations in Australia, Goodway Rubber acquired an 80% stake in Goodway Australia. This acquisition enabled Goodway Rubber to penetrate into the Oceanic region as the location of Goodway Australia provided easy access to the surrounding countries. During the same year, Goodway Technology was incorporated to operate a franchise retreading business with GK. In 2001, Goodway Rubber increased its equity shareholding in Kilotrak to 71%. Goodway Rubber further increased its equity shareholding in Kilotrak to 81% in 2002. Subsequently in 2003, Kilotrak became a wholly owned subsidiary of Goodway Rubber.

In March 2003, the management of Goodway Rubber, spearheaded by Tai Boon Wee, undertook a management buy-out of a majority of shareholders, when the tenure of the joint venture agreement with GK was near expiry. This resulted in a change of shareholders to include CAV, CTV and BIMBMS. Details on the impact of the business opportunities due to the expiry of the joint venture with GK are disclosed in Section 3 (j) of this prospectus. As part of an internal restructuring process and in preparation for the Group for listing, Goodway Integrated was incorporated as the holding company to acquire Goodway Rubber and all of its subsidiaries.

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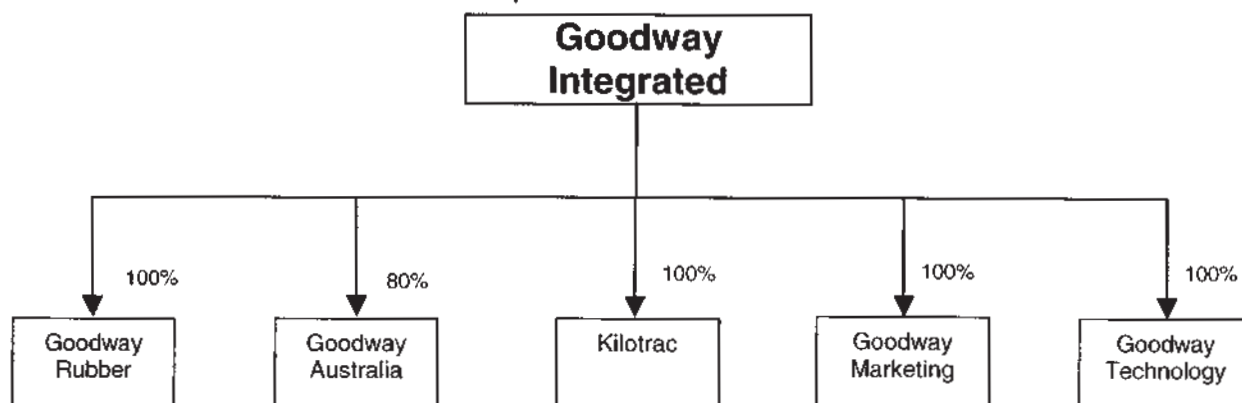
**1. INFORMATION SUMMARY (Cont'd)**

Goodway Integrated is principally an investment holding company. The details of the subsidiary corporations of Goodway Integrated are as follows: -

Corporation	Date/Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
Goodway Rubber	9 November 1985 Malaysia	12,458,482	100	Manufacturing and distribution of rubber compound and related products
Goodway Australia	31 August 1993 Australia	AUD250,000	80	Distribution and selling of rubber compounds
Kilotrac	5 October 1990 Malaysia	2,235,274	100	Retreading of tyres and distribution of retread tyres and related products
Goodway Marketing	8 August 1995 Malaysia	2	100	Dormant
Goodway Technology	23 July 1998 Malaysia	2	100	Dormant

Further details on the history and business of the Group are set out in Section 4 of this Prospectus.

The structure of the Group is as set out below: -



## 1. INFORMATION SUMMARY (Cont'd)

## 1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL OF THE GROUP

The direct and indirect shareholdings of the promoters, substantial shareholders, Directors, key management and technical personnel of the Group are as follows: -

Name	Designation	(I)		(II)	
		No. of Ordinary Shares Held in Goodway Integrated After the IPO		No. of Ordinary Shares Held in Goodway Integrated After (I) And Full Exercise of ESOS	
		Direct	Indirect	Direct	Indirect
		(%)	(%)	(%)	(%)
<b>Promoters</b>					
MSSB	Substantial Shareholder	@ 4,382,180	5.48	-	@ 4,382,180
					4.98
Tai Boon Wee <sup>(6)</sup>	CEO / Group Managing Director	# *20,410,984	25.51	-	*21,080,984
					23.96
CAV	Venture Capital	7,624,202	9.53	-	7,624,202
					8.66
CTV	Venture Capital	3,044,620	3.81	-	3,044,620
					3.46
BIMBMS	Venture Capital	5,082,798	6.35	-	5,082,798
					5.78
Lee Fook Seng	Non-Executive Non-Independent Director, Goodway Rubber	6,527,441	8.16	-	6,527,441
					7.42
Tim Heok Lin	Executive Director, Goodway Rubber	# 2,111,942	2.64	-	2,557,942
					2.91
Wong Ping Kiong	Executive Director	# 1,134,363	1.42	-	1,584,363
					1.80

## 1. INFORMATION SUMMARY (Cont'd)

Name	Designation	(I)			(II)		
		No. of Ordinary Shares Held in Goodway Integrated After the IPO		Indirect (%)	No. of Ordinary Shares Held in Goodway Integrated After (I) And Full Exercise of ESOS		Indirect (%)
		Direct	(%)		Direct	(%)	
<b>Substantial Shareholders</b>							
CAV	Venture Capital	7,624,202	9.53	-	7,624,202	8.66	-
BIMBMS	Venture Capital	5,082,798	6.35	-	5,082,798	5.78	-
MSSB	Substantial Shareholder	@ 4,382,180	5.48	-	@ 4,382,180	4.98	-
Tai Boon Wee <sup>(7)</sup>	CEO / Group Managing Director	# *20,410,984	25.51	-	*21,080,984	23.96	-
Lee Fook Seng	Non-Executive Non-Independent Director, Goodway Rubber	6,527,441	8.16	-	6,527,441	7.42	-
Kok Chin Teong	Substantial shareholder of MSSB	-	-	(1) 4,382,180	-	-	(1) 4,382,180 4.98
Goh Gee Thien <sup>(7)</sup>	Substantial shareholder of MSSB	-	-	(1) 4,382,180	-	-	(1) 4,382,180 4.98
CAHB	Substantial shareholder of CAV	-	-	(2) 7,624,202	-	-	(2) 7,624,202 8.66
Employees Provident Fund Board	Substantial shareholder of CAHB	-	-	(3) 7,624,202	-	-	(3) 7,624,202 8.66
BIMB Holdings	Substantial shareholder of BIMBMS	-	-	(4) 5,082,798	-	-	(4) 5,082,798 5.78
Lembaga Tabung Haji	Substantial shareholder of BIMB Holdings	-	-	(5) 5,082,798	-	-	(5) 5,082,798 5.78



## 1. INFORMATION SUMMARY (Cont'd)

Name	Designation	(i)			(ii)		
		No. of Ordinary Shares Held in Goodway Integrated After the IPO		(%)	No. of Ordinary Shares Held in Goodway Integrated After (i) And Full Exercise of ESOS		(%)
Permodalan Nasional Berhad	Substantial shareholder of BIMB Holdings	-	-	-	-	-	-
Yayasan Pelaburan Bumiputra	Substantial shareholder of PNB	-	-	-	-	-	-
<b>Directors</b>							
Raja Shamsul Kamal Bin Raja Shahrizzaman	Chairman / Non-Executive Non-Independent Director	^ 200,000	0.25	-	# 200,000	0.23	-
Tai Boon Wee <sup>(7)</sup>	CEO / Group Managing Director	# *20,410,984	25.51	-	#*21,080,984	23.96	-
Wong Ping Kiong	Executive Director	# 1,134,363	1.42	-	#1,584,363	1.80	-
Mohd Jafni Bin Mohd Alias	Non-Executive Non-Independent Director	^ 200,000	0.25	-	^ 200,000	0.23	-
Nor Idzam Bin Ya'akub	Non-Executive Non-Independent Director	-	-	-	-	-	-
Adi Arman Bin Abu Osman (an alternate director to Nor Idzam Bin Ya'akub)	Non-Executive Non-Independent Director	-	-	-	-	-	-
Mok Yuen Lok	Independent Non-Executive Director	^ 20,000	0.03	-	^ 20,000	0.02	-
Ismail Bin Mahayudin	Independent Non-Executive Director	^ 20,000	0.03	-	^ 20,000	0.02	-

## 1. INFORMATION SUMMARY (Cont'd)

Name	Designation	(I)		(II)	
		No. of Ordinary Shares Held in Goodway Integrated After the IPO		No. of Ordinary Shares Held in Goodway Integrated After (I) And Full Exercise of ESOS	
		Direct	Indirect (%)	Direct	Indirect (%)
<b>Key Management and Technical Personnel</b>					
Tai Boon Wee <sup>(7)</sup>	CEO / Group Managing Director	# *20,410,984	25.51	-	-
Tim Heok Lin	Executive Director, Goodway Rubber	# 2,111,942	2.64	-	-
Wong Ping Kiong	Executive Director	# 1,134,363	1.42	-	-
Brian Leonard Smith	Managing Director, Goodway Australia	^ 200,000	0.25	-	-
Chin Yon Fei	General Manager of Production Operations, Goodway Rubber	^ 700,000	0.88	-	-
Choo Tiam Loy	Assistant General Manager of Production Operations, Goodway Rubber	^ 650,000	0.81	-	-
Gan Huey Mian	Enterprise Resource Planning Manager, Goodway Rubber	^ 200,000	0.25	-	-
Lim Shu Chang	Country Manager, China, Goodway Rubber	^ 200,000	0.25	-	-
				#*21,080,984	23.96
				#2,557,942	2.91
				#1,584,363	1.80
				^ 420,000	0.48
				^ 730,000	0.83
				^ 680,000	0.77
				^ 230,000	0.26
				^ 230,000	0.26

## 1. INFORMATION SUMMARY (Cont'd)

Name	Designation	(I)		(II)	
		No. of Ordinary Shares Held in Goodway Integrated After the IPO		No. of Ordinary Shares Held in Goodway Integrated After (I) And Full Exercise of ESOS	
		Direct	Indirect (%)	Direct	Indirect (%)
Rajamanikam A/L Doraisamy	Quality Assurance & Technical Manager, Goodway Rubber	^ 100,000	0.13	^ 130,000	0.15

## Notes: -

- (1) Deemed interested by virtue of their substantial shareholdings in MSSB, which in turn has a substantial shareholding in Goodway Integrated pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of its substantial shareholding in CAV, which in turn has a substantial shareholding in Goodway Integrated pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of their substantial shareholding in CAHB, which in turn has a substantial shareholding in CAV pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of its substantial shareholding in BIMBMS, which in turn has a substantial shareholding in Goodway Integrated pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of their substantial shareholdings in BIMB Holdings, which in turn has a substantial shareholding in BIMBMS pursuant to Section 6A of the Act.
- (6) Deemed interested by virtue of their substantial shareholdings in PNB, which in turn has a substantial shareholding in BIMB Holdings pursuant to Section 6A of the Act.
- (7) Tai Boon Wee and Goh Gee Thien are husband and wife.
- # Including their respective entitlements for the pink form share allocation pursuant to the IPO.
- ^ Their respective entitlements for the pink form allocation.
- \* Held through Al-Wakalah Nominees (Tempatan) Sdn Bhd save and except for the pink form, ESOS allocations and 4 shares (subscriber's shares).
- @ Held through Al-Wakalah Nominees (Tempatan) Sdn Bhd.

Details of the Promoters, substantial shareholders, Directors, key management and technical personnel of the Group are set out in Section 5 of this Prospectus.

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**1. INFORMATION SUMMARY (Cont'd)****1.3 INTELLECTUAL PROPERTY**

The Group has registered the domain name [www.goodway-integrated.com](http://www.goodway-integrated.com), which it uses in connection with its business, with InterNic. The Group has submitted the following trademarks to the Registrar of Trademarks Malaysia: -

- (a) the Group's corporate logo trademark;
- (b) the GOODWAY trademark;
- (c) the GOODWAY word trademark;
- (d) the Ultracool trademark;
- (e) the Supercool trademark;
- (f) the SupercoolAP trademark;
- (g) the Supercool CR;
- (h) the SupercoolCR;
- (i) the Rübtek trademark;
- (j) the Superfill trademark;
- (k) the Supertack trademark;
- (l) the Supersidewall trademark;
- (m) the Supertrac trademark;
- (n) the Superbond trademark;
- (o) the Superretread trademark;
- (p) the Hi-M trademark;
- (q) the CR trademark;
- (r) the Fleet Soft trademark; and
- (s) the Group's Corporate Video.

The abovementioned trademarks are pending registration. Applications for registration of trademark "Supercool" have also been made in Hong Kong, Indonesia, India, New Zealand, Philippines, China, Australia and Thailand. Further details of the trademarks are set out in Section 4.2.5.

**1.4 FINANCIAL HIGHLIGHTS**

The following table sets out a summary of the proforma consolidated results of the Group for the past five (5) financial years ended 31 December 2003, prepared on the assumption that the Group has been in existence throughout the years under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 10 of this Prospectus.

Financial year ended 31 December	1999 (RM'000)	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)
Revenue	60,974	63,406	66,326	77,265	110,596
Profit before depreciation and interest	11,315	7,436	9,199	11,887	14,242
Depreciation / (losses)	(2,894)	(3,119)	(4,787)	(3,603)	(3,650)
Interest expense	(1,403)	(1,162)	(2,200)	(1,728)	(1,415)
Interest income	130	94	-	26	166
Share of profits of associated companies	(192)	-	-	-	-
PBT	6,956	3,249	2,212	6,582	9,343
Taxation	(146)	(789)	(203)	(285)	(2,803)
PAT	6,810	2,460	2,009	6,297	6,540
MI	(19)	(49)	(164)	(204)	(691)
PAT after MI	6,791	2,411	1,845	6,093	5,849



**1. INFORMATION SUMMARY (Cont'd)**

<b>Financial year ended 31 December</b>	<b>1999 (RM'000)</b>	<b>2000 (RM'000)</b>	<b>2001 (RM'000)</b>	<b>2002 (RM'000)</b>	<b>2003 (RM'000)</b>
No. of ordinary shares in issue during the year ('000)	63,156	63,156	63,156	63,156	63,156
Gross EPS	11.0	5.1	3.2	10.1	13.7
Net EPS	10.8	3.8	2.9	9.6	9.3

**Notes: -**

- (1) In 1999, the increased turnover resulted from continued expansion to overseas market such as China coupled with the installation of new machinery to increase production capacity.
- (2) Gross margin improved in 1999 mainly due to an increase in production volume and reduction in the costs of some raw materials.
- (3) The increase in PBT in 1999 was consistent with the increase in gross profit margin and was further due to an increase in realised foreign exchange gain.
- (4) Pursuant to the Income Tax (Amended) Act, 1999, all income (except dividend income) falling within the waiver year was waived from income tax. Accordingly, no provision for taxation was made in respect of year ended 31 December 1999. The tax charge in 1999 was in respect of a deferred tax.
- (5) Turnover for year 2000 increased mainly due to the continuous effort of management to expand the Group's presence in the overseas market.
- (6) Gross profit margin dropped to 19.3% in 2000 due to an increase in costs of sales by RM3.8 million (8.1%) resulting from an increase in raw material, production and distribution costs during the year.
- (7) The decrease in the PBT was consistent with the decrease in the gross profit margin and realized foreign exchange gain in year 2000.
- (8) The lower effective tax rate was due to the utilization of tax losses in a subsidiary company in year 2000.
- (9) Turnover for 2001 increased mainly due to the continuous effort of management to expand the Group's continuous effort of management to expand the Group's presence in the overseas market.
- (10) Gross profit margin dropped to 18.6% in 2001 was mainly due to an increase in the cost of production for the year.
- (11) The decrease in PBT in 2001 was mainly due to the decrease in gross profit margin and the increase in depreciation expense arising from additions to plant and machinery and the increase in interest expense for the utilisation of term loans to finance these additions.
- (12) The lower effective tax rate was due to the utilisation of capital allowance and reinvestment allowance incentive in a subsidiary company in year 2001.
- (13) Turnover for 2002 increased mainly due to the continuous effort of the management to expand the Group's presence in the overseas market.
- (14) In 2002, gross profit margin increase by 4% mainly due to an increase in the selling price of finished goods as well as the reduction in raw material cost and a change in depreciation rate.
- (15) The increase in PBT was due to the increase in the turnover and gross profit margin coupled with a reduction in depreciation expense due to a change in the depreciation rate for plant and machinery.
- (16) The lower effective tax rate is due to the utilisation of reinvestment allowance incentive in year 2002.
- (17) Turnover in 2003 increased by approximately 43% compared to the previous year. The increase in turnover is mainly attributable to the increase in export sales as a result of the additional promotion and advertising effort by the management.
- (18) Gross profit margin reduced by approximately 4% as there was an increase in raw material costs in year 2003.
- (19) The increase in PBT was due to the increase in turnover which was slightly set off by the decrease in the gross profit margin in year 2003.
- (20) The higher effective rate was due to deferred tax charge arising from the reversal of temporary difference in year 2003.
- (21) There were no extraordinary items and exceptional items for all the financial years under review, except for the unrealised gain of foreign exchange in 2003.
- (22) The gross and net EPS have been calculated based on PBT after MI and PAT respectively and on the weighted average number of ordinary shares in issue.

The financial statements of the Group for the years under review were not subjected to any audit qualification.



**1. INFORMATION SUMMARY (Cont'd)****1.5 PROFORMA CONSOLIDATED BALANCE SHEETS OF THE GROUP AS AT 31 DECEMBER 2003**

The Proforma Consolidated Balance Sheets as at 31 December 2003 set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of Goodway Integrated, had the Listing Scheme been effected on that date.

	Balance Sheet as at 31 December 2003 RM'000	<sup>(1)</sup> Proforma consolidated balance sheet after Stage 1 RM'000	<sup>(2)</sup> Proforma consolidated balance sheet after Stage 2 RM'000	<sup>(3)</sup> Proforma consolidated balance sheet after Stage 3 RM'000
<b>PROPERTY, PLANT AND EQUIPMENT</b>	-	38,464	38,464	38,464
<b>GOODWILL</b>	-	1,648	1,648	1,648
<b>DEFERRED TAX ASSET</b>	-	563	563	563
<b>CURRENT ASSETS</b>				
Inventory	-	12,687	12,687	12,687
Trade and other receivables	-	30,149	30,149	30,149
Tax recoverable	-	373	373	373
Cash and cash equivalents	*	4,867	19,001	29,001
	*	48,076	62,210	72,210
<b>CURRENT LIABILITIES</b>				
Trade and other payables	-	10,504	10,504	10,504
Borrowings	-	35,021	30,000	30,000
Taxation	-	979	979	979
	-	46,504	41,483	41,483
<b>NET CURRENT ASSETS</b>	*	1,572	20,727	30,727
	*	42,247	61,402	71,402
<b>FINANCED BY:</b>				
<b>SHARE CAPITAL</b>	*	31,578	40,000	44,000
<b>SHARE PREMIUM ACCOUNT</b>	-	-	10,733	16,733
<b>RETAINED PROFITS</b>	-	5,270	5,270	5,270
<b>SHAREHOLDERS' FUNDS</b>	*	36,848	56,003	66,003
<b>MINORITY INTERESTS</b>	-	722	722	722
<b>LONG TERM AND DEFERRED LIABILITIES</b>				
<b>DEFERRED TAX</b>	-	2,917	2,917	2,917
<b>BORROWINGS</b>	-	1,760	1,760	1,760
	*	42,247	61,402	71,402
<b>NTA per share (RM)</b>	0.50	0.56	0.68	0.73

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**1. INFORMATION SUMMARY (Cont'd)**

Notes: -

- \* Issued and paid up share capital of Goodway Integrated of RM2.00, representing 4 ordinary shares of RM0.50 each.
- Proforma 1 – The acquisition of the entire issued and paid up share capital of Goodway Rubber comprising 12,458,482 shares for a total purchase consideration of RM31,577,998 satisfied by the issuance of 63,155,996 new Goodway Integrated shares at an issue price of RM0.50 per share. Subsequently, Goodway Rubber had transferred all of its shares held in its subsidiaries to Goodway Integrated at a nominal cost of RM1.00 for each subsidiary satisfied in cash. The acquisition of Goodway Rubber and the subsidiaries resulted in reserve on consolidation of RM5,270,000;
- Proforma 2 – Public issue of 16,844,000 new ordinary shares of RM0.50 each assuming at an issue price of RM1.25 per ordinary share to the general public, eligible employees, business associates and employees of the Company. The gross proceeds of RM21.055 million from the public issue will be utilised as follows: -

	<b>RM'000</b>
Repayment of trade facilities	5,021
Working capital	14,134
Listing expenses	1,900
<b>Total</b>	<b>21,055</b>

- Proforma 3 – In conjunction with its listing, Goodway Integrated proposes to implement ESOS involving up to 8,000,000 new ordinary shares of RM0.50 each at an assumed issue price of RM1.25 per ordinary share, to be issued pursuant to the exercise of the options to be granted under the ESOS to the eligible employees and directors of the Group.

The ESOS is not expected to have any effect on the NTA per share of the Group until such time as the options granted under the ESOS are exercised. Any potential effect of the ESOS on the NTA of the Group in the future would depend on the number of options granted and exercised at any point in time as well as the price payable upon the exercise of the options.

Barring unforeseen circumstances, on the date of listing of Goodway Integrated on the Second Board of Bursa Malaysia, the Directors of Goodway Integrated intend to grant ESOS options for up to a maximum of 8,000,000 shares. The exercise price for such options is deliberated in Section 4.1.4.

Detailed Proforma Consolidated Balance Sheets and the Reporting Accountants' letter thereon are set out in Section 9.10 of this Prospectus respectively.

**1.6 SUMMARY OF MATERIAL RISK FACTORS**

An investment in the shares listed/to be listed on Bursa Malaysia involves a number of risks, some of which, includes market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in the business of the Group.

Prospective investors should rely on their own evaluations and carefully consider the risk factors before buying any of the Public Issue/Offer Shares, which are the subject of this Prospectus. The risk factors that should be considered include, but are not limited to, the following: -

<b>Item</b>	<b>Risk factors</b>	<b>Summary</b>
(a)	Business Risks	The Group is subject to certain risk inherent to the manufacturing industry. These may include shortages in skilled workforce, increase in labour cost and operating cost, changes in general economic conditions, business and credit conditions and changes in government policies.
(b)	Financial Risks	Save as disclosed in section 9.4 of this Prospectus, the Group does not have any other borrowings and indebtedness in the form of borrowings.

**1. INFORMATION SUMMARY (Cont'd)**

<b>Item</b>	<b>Risk factors</b>	<b>Summary</b>
(c)	New Venture(s)	If appropriate opportunities present themselves, the Group would consider acquiring businesses or enter into synergistic joint ventures that the Group believes will be in the interest of its shareholders. The Group had also identified several new opportunities for overseas ventures particularly in China, Thailand and Philippines.
(d)	New Products and Services	The markets for the Group's products and services are not characterised by rapid developments, evolving industry standards or sudden changes in customer requirements. However the Group's future depends upon its ability to further reduce and control production cost, provide higher quality products and value added services at competitive pricing to its customers.
(e)	Industry Life-Cycle	The Group is less susceptible to the ever-changing economic and political condition of the country as well as the manufacturing industry life cycle in view of its diversified markets, locally and overseas. The Group produces a variety of rubber and retread related products, namely M.B., compounds and retreads tyres, which cater to a variety of end users, located in Malaysia and overseas i.e. Australia, Hong Kong, China, Singapore and Indonesia.
(f)	Dependence on Suppliers / Customers	As mentioned in Sections 4.5 and 4.6 of this Prospectus, the Group is not solely dependent on any major customers and suppliers, as the Group has established a wide network of customers and suppliers. Such network has been established through long-term relationships with most of its customers and suppliers over the past six (6) and seven (7) years respectively.
(g)	Foreign Operations / Currency Risk	For the financial year ended 31 December 2003, approximately 57% of the Group's products are sold overseas, mainly in Australia, Hong Kong, China, Singapore and Indonesia. Approximately 44% of its raw materials requirements are mainly imported from Germany, South Africa, South Korea and Japan. Settlement of these sales and purchases are usually made in AUD, USD, NZD, Singapore Dollar and India Rupee. This exposes the Group to foreign currency risk. Any fluctuation in these currencies against the RM due to timing differences in settlements may have a material effect on the Group's financial results.
(h)	Dependence on Key Personnel	The Group's success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and key management.
(i)	Dependence on Protection of Intellectual Property	The Group is to an extent dependent on protection of its propriety trademarks i.e. the usage of the tradename Supercool. As mentioned in Sections 1.3 and 4.2.5 of this Prospectus, the Group has applied for registration for its trademarks in order to protect the Group's proprietary trademarks.

**1. INFORMATION SUMMARY (Cont'd)**

<b>Item</b>	<b>Risk factors</b>	<b>Summary</b>
(j)	Dependence on technical support from GK	The Group entered into a technology transfer joint venture with GK for technical support. The joint venture agreement has since lapsed and it does not have any material impact on the Group's operations.
(k)	Security and Systems Disruptions	The Group's factory and marketing sites are reasonably secured. There is always a risk of system disruption due to among others, blackouts, natural disasters and war.
(l)	Breakout of fire, energy crisis and other emergencies	The Group's operations are dependent on regular and consistent supply of electricity from Tenaga Nasional Berhad.
(m)	Insurance Coverage on Assets	The Group is aware of the adverse consequences arising from inadequate insurance coverage that could cripple its business operation. In ensuring that such risks are kept to the minimum, the Group reviews and ensures adequate coverage for its assets and development projects on a continuous basis.
(n)	Rapid or over expansion	Over the years, the Group has expanded gradually to reach its current position. The Directors of the Company intend to continue its prudent approach in its expansion plans and have taken the necessary measures and feasibility studies prior to embarking on any major expansion.
(o)	Competition	The Group faces competition from both local and foreign competitors. However, the Group believes that it has competitive edge over its competitors due to its wide product range, the quality of its products, its economies of scale in production, its research and development capabilities and its technological skill acquired through years of research and experience.
(p)	Dependence on Particular Markets and Geographical Locations	As disclosed in Section 4.2.2 and 4.2.10 of this Prospectus, the Group currently focuses on rubber compound and retreads industry sector in Malaysia, Australia, Indonesia, Singapore, Hong Kong and China, which made up approximately 87% of the Group's turnover for the financial year ended 31 December 2003.
(q)	Economic conditions and cycles that are significant or peculiar to the industry	Based on the management of Goodway Integrated, there are no economic conditions and cycles that are significant or peculiar to the industry. Nonetheless, no assurance could be given that any change to these factors would not have any material adverse impact on the Group's business.
(r)	Control by Promoters / some shareholders	After the Public Issue, the Promoters and the persons connected with the Promoters will collectively control approximately 62.9% of the Group's issued and paid-up share capital. They will effectively control the outcome of certain matters requiring voting of shareholders.



**1. INFORMATION SUMMARY (Cont'd)**

<b>Item</b>	<b>Risk factors</b>	<b>Summary</b>
(s)	Government Control or Regulation Considerations	Any business operations are subject to the jurisdiction of numerous governmental agencies or ministries. Adverse developments in political, economic, regulatory and environment conditions in Malaysia and other countries where the Group currently or may operate could materially and adversely affect the financial prospects of the Group.
(t)	Material Litigation/Legal Uncertainties	Save as disclosed in Section 13.6 of the Prospectus, the Group's agreements with its customers typically contain provisions designed to limit the Group's exposure to potential product and/or service liability claims. To date, the Group has not experienced any material product and/or service liability claims. It is possible, however, that the limitation of liability provisions contained in the Group's customer agreements may not be effective as a result of existing or future laws or unfavourable judicial decisions.
(u)	Technology Used / to be Used	The Group's usage of technology is evident in its ability, to continuously innovate and design new and improved versions of products on its own accord or upon customer's request. Although the Group's manufacturing plant is well equipped and able to meet its current production requirements, the Group believes in searching for alternative and innovative manufacturing processes and to continuously explore areas of technological improvements.
(v)	Financial performance	Save as disclosed in Section 9.4 of this Prospectus, the Group does not have any other borrowings and indebtedness in the form of borrowings.
(w)	Environmental Concerns	As mentioned in paragraph @ above, there are strict rules and regulations on environmental protection set by the Malaysian Government for the manufacturing sector.
(x)	Dependence on Overseas Market	As shown in Section 4.2.10 of this Prospectus, for the financial year ended 31 December 2003, approximately 70% of the Group's products are exported. Approximately, 44% of its raw materials are imported. As such, the current operations and the future growth of the Group are also linked to the political and economic development of foreign countries, where some of the Group's customers and suppliers are located.
(y)	Dependence on Labour	The rubber and retread manufacturing industry relies substantially on foreign labour, among others in areas of mixing, quality control and packing. Inadequate supply of labour may disrupt the manufacturing process.
(z)	Limited number of long-term contracts	The Group has only limited long-term contracts with its customers, which is common in the manufacturing industry.



**1. INFORMATION SUMMARY (Cont'd)**

<b>Item</b>	<b>Risk factors</b>	<b>Summary</b>
(aa)	Exposure to Price Fluctuations of Raw Materials	Raw materials used by the Group are subject to price fluctuations, which may have an impact on the Group's profit margin. However in the event of an increase in price, the Group will pass on the increase in cost to its customers on a timely basis.
(bb)	Achievability of Profit Forecast	There can be no assurance that the forecasts contained herein will be realised and investors will be deemed to have read and understood the assumptions and uncertainties underlying the forecasts that are contained herein.
(cc)	Disclosure Regarding Forward-Looking Statements	There can be no assurance that forward-looking statements in relation to the Group as contained in the Prospectus will prove to be correct. Any differences in the expectations of the Group may materially affect the Group's financial and business performances and plans.
(dd)	Related Party Transactions/ Conflict of Interest	As disclosed in Section 7.1 of this Prospectus, there are certain related-party transactions or conflict of interest involving the Directors and substantial shareholders and/or persons connected with the Directors or substantial shareholders of Goodway Integrated. The Directors and substantial shareholders of Goodway Integrated have given an undertaking that all business transactions between the Group and the Directors and substantial shareholders and their related persons, shall be based on arms length basis and on commercial terms that shall not be disadvantageous to the Group.
(ee)	No Prior Market for Goodway Integrated's Shares	There can be no assurance of an active market for Goodway Integrated shares upon its listing on the Second Board of Bursa Malaysia.
(ff)	Failure/Delay In the Listing	The success of the listing exercise is also exposed to the risk that it may fail or be delayed should certain events as disclosed in Section 3 (ff) of this Prospectus occur.

Further details of the material risk factors are set out in Section 3 of this Prospectus.

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**1. INFORMATION SUMMARY (Cont'd)****1.7 PROFIT AND DIVIDEND****CONSOLIDATED PROFIT FORECAST**

<b>Financial Year Ending 31 December</b>	<b>Forecast 2004 (RM'000)</b>
Consolidated PBT	12,178
Less : Taxation	(1,948)
Consolidated PAT	10,230
Less : MI	(224)
Consolidated PAT after MI	10,006
Less : Pre-acquisition profit	(1,472)
	8,534
Negative goodwill – amortisation	104
Profit attributable to shareholders	8,638
Retained Profits brought forward	23,953
Less : Final Dividend for year ended 2003	(3,500)
Less : Proposed Dividend	(2,448)
Retained Profits	26,643
Gross EPS (sen) <sup>(Note 1)</sup>	14.9
Net EPS (sen) <sup>(Note 1 and 3)</sup>	12.5
Net EPS (sen) <sup>(Note 1 and 4)</sup>	10.8
Gross PE Multiple (times) <sup>(Notes 1 and 2)</sup>	8.4
Net PE Multiple (times) <sup>(Notes 1 and 2)</sup>	10.0

Notes: -

- (1) Based on the enlarged share capital.
- (2) Based on the IPO price of RM1.25 per ordinary share of RM0.50 each.
- (3) Based on profit after taxation and minority interest.
- (4) Based on profit attributable to shareholders.

**DIVIDEND FORECAST**

<b>Financial Year Ending 31 December</b>	<b>Forecast 2004</b>
Gross dividend per share (sen)	4.25
Gross dividend yield (%) <sup>(Note 1)</sup>	3.40
Net dividend cover (times)	4.08

Note: -

- (1) Based on the IPO price of RM1.25 per ordinary share of RM0.50 each.

**1.8 PROFORMA GROUP NTA AS AT 31 DECEMBER 2003**

	<sup>(Note 1)</sup> <b>Proforma Group NTA (RM'000)</b>	<b>Proforma NTA per ordinary Share (RM)</b>
After adjusting for the IPO	54,355	0.68

Note: -

- (1) After deducting the estimated listing expenses of RM1.9 million. Please refer to Section 2.7 for details on the estimated listing expenses.

**1. INFORMATION SUMMARY (Cont'd)**

The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 80,000,000 ordinary shares of RM0.50 each in Goodway Integrated. Detailed calculations of the proforma consolidated NTA are set out in Section 9.10 of this Prospectus.

**1.9 PRINCIPAL STATISTICS RELATING TO THE IPO****1.9.1 SHARE CAPITAL**

The following statistics relating to the IPO are derived from the full text of the Prospectus and should be read in conjunction with the text.

	<b>Number of ordinary share of RM0.50 each</b>	<b>Share capital (RM)</b>
<b>AUTHORISED SHARE CAPITAL</b>	100,000,000	50,000,000
<b>ISSUED AND FULLY PAID-UP SHARE CAPITAL:</b>	63,156,000	31,578,000
• New ordinary shares to be issued pursuant to Public Issue	16,844,000	8,422,000
<b>ENLARGED SHARE CAPITAL</b>	80,000,000	40,000,000
• New ordinary shares to be issued pursuant to the exercise of ESOS	8,000,000	4,000,000
<b>ENLARGED SHARE CAPITAL AFTER ESOS</b>	88,000,000	44,000,000
• Existing ordinary shares to be offered pursuant to the Offer For Sale	12,328,000	6,164,000

The Issue/Offer Price is RM1.25 per ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus.

**1.9.2 CLASS OF SHARES**

There is only one class of shares in the Company namely ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

**1.10 PROPOSED UTILISATION OF PROCEEDS**

The total gross proceeds arising from the Public Issue will be utilised by the Group in the following manner: -

	<b>Timeframe for utilisation</b>	<b>Amount (RM'000)</b>
(i) Repayment of borrowings	By final quarter of 2004	5,021
(ii) Working capital	Within 1 year	14,134
(iii) Finance estimated listing expenses	Upon listing	1,900
<b>Total proceeds</b>		<b>21,055</b>

Further details of the utilisation are set out in Section 2.7 of this Prospectus.

**1. INFORMATION SUMMARY (Cont'd)****1.11 MATERIAL LITIGATIONS, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL CAPITAL COMMITMENT AND WORKING CAPITAL****(i) Material Litigation**

Save as disclosed in Section 13.6, as at 31 May 2004 (latest practicable date prior to the printing of this Prospectus), the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

**(ii) Borrowings**

As disclosed in Section 9.4 of this Prospectus, as at 31 May 2004 (latest practicable date prior to the printing of this Prospectus) the total utilised bank borrowings in the form of term loans, trust receipts, banker's acceptance and hire purchase financing amounted to approximately RM43.97 million. The borrowings can be detailed further as follows: -

<b>Borrowings</b>	<b>Domestic (RM '000)</b>	<b>Foreign (RM '000)</b>	<b>Total (RM '000)</b>
Long Term borrowings Interest bearing	3,732	2,650	6,382
Short Term borrowings Interest bearing	37,588	-	37,588
<b>Total Borrowings</b>	<b>41,320</b>	<b>2,650</b>	<b>43,970</b>

The Group has no foreign currency borrowings, save and except for an offshore term loan amounting to USD546,740 (RM2,077,614) from Malayan Banking Berhad for Goodway Rubber, and under Goodway Australia, a term loan amounting to AUD202,557.55 (RM548,930.96 at an exchange rate of AUD1 : RM2.71) from National Australia Bank Limited and a leasing facility amounting to AUD8,637.21 (RM23,406.84 at an exchange rate of AUD1 : RM2.71) from Sutton's Motor Leasing Pty Ltd, which represent approximately 6.03% of the Group's total borrowings.

**(iii) Contingent Liabilities**

As at 31 May 2004 (latest practicable date prior to the printing of this Prospectus), there are no material contingent liabilities incurred by the Group.

**(iv) Material Capital Commitments**

As at 31 May 2004 (latest practicable date prior to the printing of this Prospectus), there are no material commitments for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group.

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**1. INFORMATION SUMMARY (Cont'd)**

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**(v) Working Capital**

Of the total proceeds, RM14.13 million will be used as general working capital for the Group including the payment of creditors, purchase of raw materials/stocks and operating expenses. The Directors of Goodway Integrated are of the opinion that, after taking into consideration the cashflow position, the banking facilities available and the net proceeds from the IPO, Goodway Integrated will have adequate working capital for a period of twelve (12) months from the date of issue of this Prospectus.

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