

P R O S P E C T U S

GLOBAL

Global Soft (MSC) Bhd.

(Company No: 533441-W)

(Incorporated in Malaysia under the Companies Act, 1965)

**PRIVATE PLACEMENT OF
10,000,000 NEW ORDINARY SHARES OF RM0.10 EACH
AT AN ISSUE PRICE OF RM0.495 PER ORDINARY SHARE
PAYABLE IN FULL ON APPLICATION**

**IN CONJUNCTION WITH ITS LISTING ON THE
MESDAQ MARKET OF THE KUALA LUMPUR STOCK EXCHANGE**

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED
BY PROSPECTIVE INVESTORS, SEE RISK FACTORS COMMENCING ON PAGE 22 HEREOF.

Adviser & Managing Underwriter



K & N KENANGA BHD
Company No. 15678-H

Webpage: www.globalsoft.com.my

GLOBAL

Main Office

Global Soft (MSC) Bhd (533441-W)

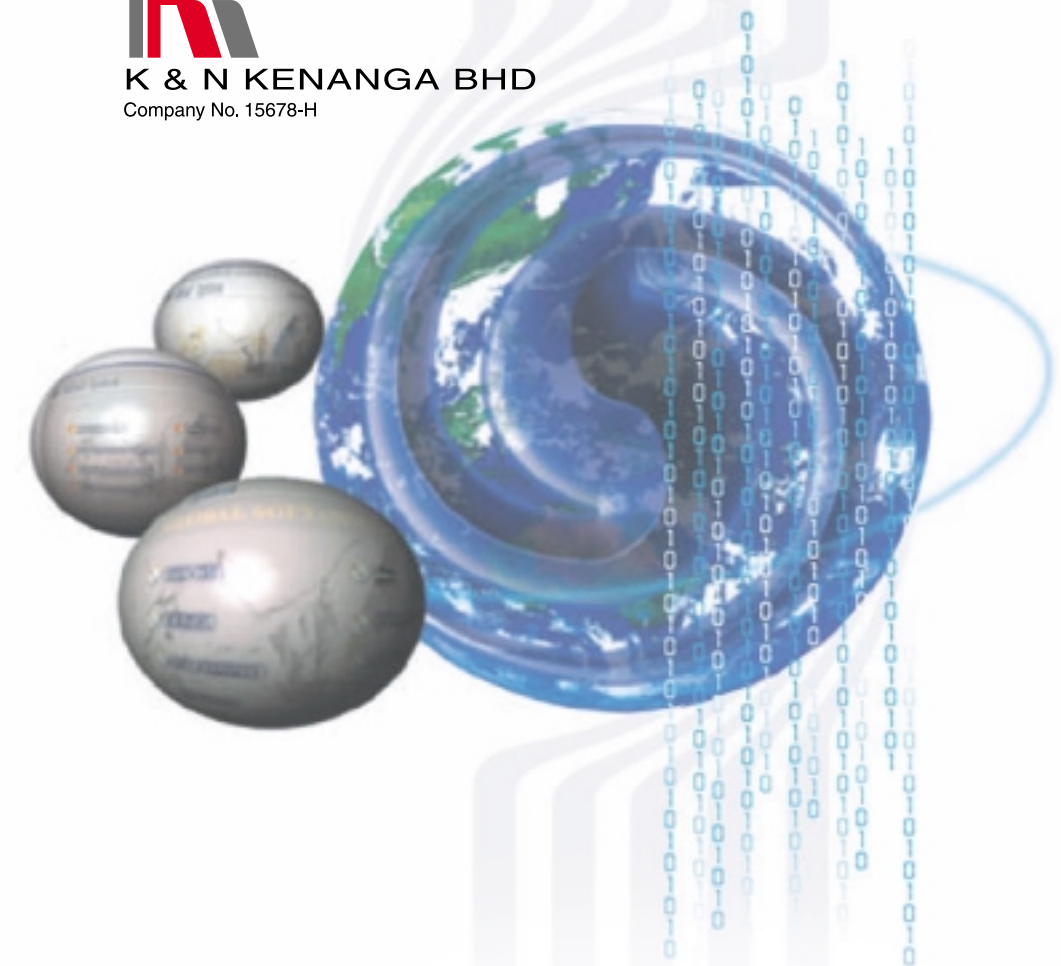
13A-10 (Penthouse), Block B

Pusat Damansara Phileo Damansara II

No. 15, Off Jalan 16/11, Off Jalan Damansara

46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Tel: 603-7660 1685 / 6 / 7 Fax: 603-7660 1689



THIS PROSPECTUS IS DATED 3 MARCH 2003

This Prospectus has been seen and approved by the Directors and Promoters of Global Soft (MSC) Bhd. ("Global Soft" or "the Company") and they collectively and individually accept full responsibility for the accuracy of the information given 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 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 Private Placement (as defined in this Prospectus).

The Securities Commission ("SC") has approved the Private Placement which is the subject matter of this Prospectus and that the approval shall not be taken to indicate that the SC recommends the Private Placement. The SC shall not be liable for any non-disclosure on the part of the corporation and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

The Kuala Lumpur Stock Exchange ("KLSE") assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the Company and its subsidiary or of its securities.

A copy of this prospectus has been registered by the SC and lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

The Prospectus can also be viewed or downloaded from the KLSE's website at www.klse.com.my

IMPORTANT DATES

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the MESDAQ Market is set out below: -

Event	Tentative Date
Opening and Closing of Placement Application List for the Private Placement	21 March 2003
Despatch of Notices of Allotment of the Issue Shares to successful applicants	4 April 2003
Listing of the Company's entire enlarged issued and paid-up share capital on the MESDAQ Market	15 April 2003

THESE DATES ARE TENTATIVE AND SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE PLACEMENT APPLICATION LIST WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS THE BOARD OF DIRECTORS OF GLOBAL SOFT AND KENANGA AT THEIR ABSOLUTE DISCRETION MAY JOINTLY DECIDE.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:-

ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Act	:	Companies Act, 1965
Binary	:	Binary Process Sdn. Bhd.
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
Dividend Declaration	:	Declaration of an interim tax exempt dividend of 57.1% amounting to RM856,000 on 11 November 2002 for the financial year ended 31 December 2002 by Global Soft to the existing shareholders of Global Soft
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EPS	:	Earnings per share
Global Soft or the Company	:	Global Soft (MSC) Bhd.
Global Soft Group or the Group	:	Global Soft and its subsidiary
Global Soft (PG)	:	Global Soft (PG) Sdn. Bhd., a 90.0% owned subsidiary of Global Soft
Global Soft Shares	:	Ordinary shares of RM0.10 each in Global Soft
GDP	:	Gross Domestic Product
IBM	:	IBM Malaysia Sdn. Bhd.
ICT	:	Information and communications technology
IDC	:	International Data Corporation, an IT and media research firm
Issue Price	:	RM0.495 per Issue Share
Issue Shares	:	10,000,000 new Global Soft Shares credited as fully paid-up to be issued pursuant to the Private Placement
IT	:	Information Technology
Jestell	:	Jestell Sdn. Bhd. <i>(formerly known as Global Soft Sdn. Bhd.)</i>

DEFINITIONS (Cont'd)

ISO	:	International Standards Organisation
Kenanga	:	K & N Kenanga Bhd
KLSE	:	Kuala Lumpur Stock Exchange
KLSE Member	:	Registered KLSE member being also an ADA
Listing Requirements	:	The Listing Requirements of the KLSE for the MESDAQ Market
MCD	:	Malaysian Central Depository Sdn. Bhd.
MDC	:	Multimedia Development Corporation Sdn. Bhd.
MESDAQ Market	:	The MESDAQ Market of the KLSE
MI	:	Minority interest
MNCs	:	Multinational corporations
MSC	:	Multimedia Super Corridor
MSC Restructuring Exercise	:	A restructuring exercise which involved the transfer of the business, assets and liabilities of Jestell to Global Soft (save for a minimal amount) in February 2001 for a consideration of RM256,231 to facilitate the Company's commencement of business pursuant to being granted MSC status as detailed in Section 4.1.1 of this Prospectus
NAV	:	Net asset value
NDP	:	National Development Policy
NTA	:	Net tangible assets
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PIKOM	:	Association of the Computer and Multimedia Industry Malaysia
Private Placement	:	Issue of 10,000,000 new Global Soft Shares credited as fully paid-up at an issue price of RM0.495 per share by way of private placement only, subject to the terms and conditions of this Prospectus
Promoters	:	Binary, Koh Kean Mum, Low Kok Thai and Liu Sai Sum collectively
Rights Issue	:	Rights issue of 17,800,000 new Global Soft Shares to the shareholders of Global Soft on the basis of approximately 1.19 new Global Soft Shares for every one (1) existing Global Soft Share held
R&D	:	Research and Development

DEFINITIONS (Cont'd)

RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission
SMEs	:	Small and Medium-sized Enterprises. Defined by SMIDEC as a business with not more than 150 full-time employees and an annual turnover not exceeding RM25 million
SMIs	:	Small and Medium-sized Industries
SMIDEC	:	Small and Medium Industries Development Corporation
Share Sub-Division	:	Sub-division of the Company's 1,500,000 ordinary shares of RM1.00 each into 15,000,000 ordinary shares of RM0.10 each
USA	:	United States of America
US\$:	USA Dollars

Technical Definitions

B2B	:	Business to Business
B2C	:	Business to Consumer
ERP or ERM	:	"Enterprise Resource Planning" or "Enterprise Resource Management"; software solutions developed to achieve company-wide integration of business and technical information with the aim of improving business processes covering front and back office functions
E-commerce	:	Electronic commerce; commercial transactions based on the electronic transmission of data over communications networks. These commercial transactions may take place in the form of B2B or B2C using the Internet
Object oriented programming	:	A programming technique that speeds up the development of software and makes it easier to maintain through the use of "objects" that have behaviours, characteristics and relationships associated with them. The "objects" are then organised into collections which are then available for building and maintaining applications
Platform	:	A computing environment which allows the development and execution of computer applications

In the event of any conflict or inconsistency in meaning between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to a time of a day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Koh Kean Mum (Executive Chairman and Managing Director)	38, Jalan SS22/12 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Low Kok Thai (Executive Director)	CTB-11, Grandeur Tower Jalan Pandan Indah 55100 Kuala Lumpur	Company Director	Malaysian
Liu Sai Sum (Executive Director)	4, Jalan SS22/18 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Low Sook Teng (Non-Executive Director)	38, Jalan SS22/12 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Toh Hong Yau (Independent Non-Executive Director)	No. 4, Jalan USJ 6/3A Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan	Executive Secretary	Malaysian
Lee Teck Meng (Independent Non-Executive Director)	H7-503 Pandan Jaya 55100 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Toh Hong Yau	Chairman of the Committee	Independent Non-Executive Director
Lee Teck Meng	Member of the Committee	Independent Non-Executive Director
Liu Sai Sum	Member of the Committee	Executive Director

***COMPANY
SECRETARIES***

: Lim Seck Wah
(MAICSA no.: 0799845)
36, Jalan Suasana 2/2
Bandar Tun Hussein Onn
Batu 9 3/4
43200 Cheras
Selangor Darul Ehsan

M. Chandrasegaran A/L S.Murugasu
(MAICSA no.: 0781031)
1, Jalan SS18/1
47500 Subang Jaya
Petaling Jaya
Selangor Darul Ehsan

CORPORATE DIRECTORY

REGISTERED OFFICE	:	Level 11-2, Faber Imperial Court Jalan Sultan Ismail P.O.Box 12337 50774 Kuala Lumpur Tel: 03-2692 4271
MANAGEMENT OFFICE	:	13A-10, Block B Pusat Dagangan Phileo Damansara II No 15, Off Jalan 16/11 Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel: 03-7660 1685/6 E-mail: global@globalsoft.com.my
RESEARCH AND DEVELOPMENT OFFICE	:	Suite 5F, Ground Floor 2320 Century Square, Jalan Usahawan 63000 Cyberjaya
AUDITORS AND REPORTING ACCOUNTANTS	:	Tan Tin & Co No. 93A, Jalan SS 21/37 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan
CORPORATE AND DUE DILIGENCE SOLICITORS	:	Zaid Ibrahim & Co Level 19, Menara Milenium Jalan Damaniela Pusat Bandar Damansara 50490 Kuala Lumpur
REGISTRAR	:	Bina Management (M) Sdn. Bhd. Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan
ADVISER, MANAGING UNDERWRITER, UNDERWRITER, PLACEMENT AGENT AND SPONSOR	:	K & N Kenanga Bhd Capital Markets 13 th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur
PRINCIPAL BANKERS	:	Public Bank Bhd Ground & Mezzanine Floor Plaza Damansara Utama 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya
LISTING SOUGHT	:	MESDAQ Market of the KLSE
WEB SITE	:	www.globalsoft.com.my

PRELIMINARY

This Prospectus is dated 3 March 2003.

A copy of this Prospectus has been registered by the SC and lodged with the CCM, who takes no responsibility for its contents.

The approvals from the KLSE and SC have been obtained for admission to the Official List of the MESDAQ Market and for permission to deal in and quotation for the entire enlarged issued and paid-up ordinary shares of Global Soft including the Issue Shares which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Under the KLSE's trading rules, effective from the date of listing, trading in all the KLSE listed securities can only be executed through an ADA who is also a KLSE Member.

An applicant should state his CDS Account number in the space provided in the Placement Application Form if he presently has such an account. Where an applicant does not presently have a CDS account, he should state in the Placement Application Form his preferred ADA Code.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 the KLSE has prescribed Global Soft ordinary shares as prescribed securities. In consequence thereof, all the ordinary shares including the ordinary shares to be issued and offered through this Prospectus will be deposited directly with MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD.

Pursuant to the Listing Requirements, the Company needs to have at least 25% of the issued and paid-up share capital in the hands of public shareholders and a minimum number of 200 shareholders. The Company is expected to achieve this at the point of listing. However, in the event that the above requirement is not met pursuant to this Private Placement, the Company may not be allowed to proceed with its listing plan. In the event thereof, monies paid in respect of all applications will be returned without interest if the said permission is not granted.

No person is authorised to give any information or to make any representation not contained herein in connection with the Private Placement and if given or made, such information or representation must not be relied upon as having been authorised by Global Soft. Neither the delivery of this Prospectus nor any issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create an implication that there has been no change in the affairs of Global Soft since the date thereof.

The distribution of this Prospectus and the issuance of the Issue Shares will not be registered under any possible securities legislation of any jurisdiction except Malaysia and the Issue Shares will not be placed out in any country other than Malaysia. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for purpose of an offer to sell or an invitation of an offer to buy any Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

The written consents of the Corporate and Due Diligence Solicitors, Registrar, Adviser, Managing Underwriter, Underwriter, Sponsor and Placement Agent, Principal Banker, Company Secretaries, IDC and PIKOM to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

PRELIMINARY (Cont'd)

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and their letters relating to the Proforma Consolidated Balance Sheets as at 31 December 2002 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The Prospectus can also be viewed or downloaded from the KLSE's website at www.klse.com.my.

If you are in doubt about this Prospectus, you should consult Kenanga, your stockbroker, bank manager, solicitor, accountant or other professional advisers.

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1 SUMMARY INFORMATION

THE FOLLOWING IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE GROUP. INVESTORS SHALL READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

1.1 HISTORY AND NATURE OF BUSINESS

Global Soft was incorporated in Malaysia on 30 November 2000 under the Act as a private limited company with the name of Competitive Design Sdn. Bhd. On 27 March 2001, the name of the Company was changed to Global Soft (MSC) Sdn. Bhd. It was subsequently converted into a public limited company on 22 October 2001 and assumed its present name. The current authorised and issued and paid-up share capital of the Company is RM5,000,000 comprising 50,000,000 Global Soft Shares and RM3,280,000 comprising 32,800,000 Global Soft Shares respectively.

The Group is principally involved in the R&D of software, system design, integration and installation, and provision of IT services.

Recognising the market potential for ERP software for the SME market in South East Asia, the founders of Global Soft, namely Koh Kean Mum and Low Kok Thai, established Jestell in September 1997, which carried out software development and provision of software consultancy services. Jestell commenced business in October 1997 with an integrated financial accounting software comprising six (6) modules, namely General Ledger, Accounts Payable, Accounts Receivable, Inventory Control, Sales Management and Purchases Management.

In November 1998, the financial accounting software was improved and expanded to encompass an enterprise wide solution, forming the "Global Soft ERP Solution" as detailed in Section 4.3 of this Prospectus. The "Global Soft ERP Solution" has been continuously enhanced by the Group's R&D team with increased functionality and applications. It comprises 20 different modules which covers business departments such as finance, logistics, distribution, manufacturing, procurement and storage.

Global Soft and Jestell undertook a restructuring exercise to facilitate the Company's bid for MSC status. The restructuring exercise involved the transfer of the businesses, assets and liabilities of Jestell to Global Soft (save for a minimal amount) for a consideration of RM256,231. Global Soft, then a dormant company, acquired the business of Jestell in order to maximise tax incentives granted in conjunction with the MSC status. Upon completion of the restructuring exercise in February 2001, Global Soft immediately commenced business while Jestell ceased to be involved in software and IT activities.

In March 2001, Global Soft expanded its suite of business solutions to encompass software for the haulage and logistics industry, which is marketed under the product name "Global Soft Prime Haulage Solution". The move to focus on the transportation sector is part of the Group's strategy to develop software for key growth industries in Malaysia.

In September 2002, Global Soft completed the development of a new software targeted at the entertainment and leisure industry namely "Global E-Ticketing System". This software is a point of sales ticketing solution targeted at amusement parks, theme parks, carnivals, fun fairs and other leisure industry which involves the sale of tickets.

1 SUMMARY INFORMATION (Cont'd)

The Company has one (1) subsidiary as follows:-

Name of company	Date and place of incorporation	Equity interest (%)	Date of acquisition	Principal activity
Global Soft (PG)	9 October 1999/ Malaysia	90	16 May 2001	Marketing of Global Soft ERP Solution

Global Soft has no associated companies.

For further details on the history and nature of business, please refer to Section 4 of this Prospectus.

1.2 TECHNOLOGY AND INTELLECTUAL PROPERTY

1.2.1 TECHNOLOGY

For system design, Global Soft adopts a client server architecture which is a newer technology compared to older server architecture. The client server architecture is more efficient because data processing and calculation utilises the processing capabilities of the individual desktop computers of clients and the server may focus to serve the database information of the respective clients, as compared to the older server technology where the server would have to carry out all the data manipulation and processing whilst the client workstation would only have the "display" function in presenting information to the user.

Global Soft adopts an open platform database structure whereby users have the option of selecting their preferred database such as Microsoft SQL and Microsoft Access. Some of the Group's competitors are running on proprietary database systems which often does not allow the users to switch to a third party database system. This would present a limitation in terms of scalability and the ability to upgrade their systems.

The Group adopts object-oriented programming technology for building applications based on reusable objects or components. The Board believes that the usage of object-oriented programming technology has greatly reduced the development cycle and lowered development and maintenance costs of its software compared to traditional programming methods.

1.2.2 INTELLECTUAL PROPERTY

On 6 February 2002, Jestell entered into two (2) deeds of assignment with Global Soft. The first assigned the copyright of the business software solutions developed by Jestell to the Company. No consideration was payable as the assignment formed part of the MSC Restructuring Exercise.

The second deed of assignment involved the transfer by Jestell to Global Soft all rights relating to the "GLOBAL & Device" and "Global Soft" trademarks including unlimited global rights to use and apply for registrations of the said marks in relation to all classes of goods and services for a cash consideration of RM400,000. Application to register "GLOBAL & Device" and "Global Soft" trademarks were submitted to the Registrar of Trademarks, Malaysia on 17 January 2002.

For further details on the technology and intellectual property, please refer to Section 4.3.3 of this Prospectus.

1 SUMMARY INFORMATION (Cont'd)

1.3 RISK FACTORS

Applicants for the Issue Shares should carefully consider the following risk factors (which are not exhaustive) in addition to the other information contained in this Prospectus before applying for the Issue Shares:-

(i) No prior market for Global Soft Shares

Prior to the Private Placement, there was no public market for the Global Soft Shares. There can be no assurance that an active market for the Global Soft Shares will develop upon its listing on the MESDAQ Market or if developed, that such a market can be sustained. There can be no assurance that the Issue Price will correspond to the price at which Global Soft Shares will trade on the MESDAQ Market upon or subsequent to its listing.

(ii) Forward looking statements

This prospectus includes forward-looking statements. There can be no assurance that expectations underlying the forward-looking statements will prove to have been correct. Any deviation from expectations may have adverse effect on the Group's financial and business performance.

(iii) Limited operating history

Global Soft was incorporated in Malaysia on 30 November 2000 and acquired the businesses, assets and liabilities of Jestell (save for a minimal amount) in February 2001 pursuant to the MSC Restructuring Exercise. As the Company has a limited operating history, its prospects must be assessed in the light of the risks and difficulties normally encountered by any new company with a limited operating history.

(iv) Political, economic and legislative considerations

Developments in political and/or economic conditions and/or legislation in Malaysia and other countries in which the Group may undertake projects or market its products could materially affect the financial prospects of the Group.

(v) Intellectual property rights and brandname

The Group's revenue is derived from its own proprietary software which takes time and resources to develop. Although the Group's range of software is protected under the copyright laws in Malaysia, the software may not be accorded similar copyright protection laws elsewhere. There can be no assurance that the "Global Soft" brandname can be successfully developed which may affect the future business of the Company.

(vi) Material defects liability

The Group does not maintain any product liability insurance, nor has it taken out any third party liability insurance. While the software warranty provided by the Group has a limitation of liability clause which states that the Group shall not be liable for any special, incidental or consequential damages whatsoever arising out of or in any way related to the use of or inability to use the Group's range of software there can be no assurance that such a clause would be sufficient to protect the Group.

1 SUMMARY INFORMATION (Cont'd)

(vii) Control by certain shareholders

The Company will be controlled by four main shareholders, namely Binary, Koh Kean Mum, Low Kok Thai and Liu Sai Sum, who will collectively control approximately 55.0% of the Company's issued and paid-up share capital after the Private Placement. As a result, these shareholders will be able to effectively influence the outcome of certain matters requiring the vote of the Company's shareholders.

(viii) Dependence on key personnel

The Group's success depends on the Group's ability to hire, train and retain qualified and competent IT personnel and the continued employment of the Group's executive directors, senior management team and key technical personnel.

(ix) Barriers to entry and competition

The IT industry has a large number of participants and is subject to rapid change and intense competition. It is generally characterised by low barriers of entry as new entrants from Malaysia and overseas could easily establish operations locally. The Group currently competes with IT firms which have longer operating histories, larger client bases, larger teams of professional staff, greater brand recognition and greater financial, technical, marketing and other resources.

(x) Technology

Due to the dynamic nature of the IT industry the Group needs to keep abreast with the latest technologies in order to compete successfully with its competitors. The Group is subject to the risks, uncertainties and problems frequently encountered by the companies in the IT industry.

(xi) Dependence on key products

Presently, the Global Soft ERP Solution software contributes more than 90% of the total revenue. It is expected that this product will continue to contribute substantially to the Group for the next five (5) years.

(xii) Risks associated with the nature of contracts

Most of the Group's contracts are short-term in duration. As a result, the Group must continually source for new contracts to sustain its revenue. Failure to obtain new contracts or the cancellation or delay of existing contracts could have a material adverse effect on the Group's business and results of operations.

1 SUMMARY INFORMATION (Cont'd)**(xiii) MSC status**

Global Soft was granted MSC status on 20 February 2001 by MDC which carries financial and non-financial incentives. The pioneer status is renewable for a further period of five (5) years upon expiry.

There can be no assurance that the Company will continue to retain its MSC status, renew its pioneer status, or that the Company will continue to enjoy or not experience delays in enjoying the MSC incentives as stated above and in Section 11.2 of this Prospectus. There can be also no assurance that the MSC incentives will not be changed or modified in anyway in the future.

For further details on the risk factors, please refer to Section 3 of this Prospectus.

1.4 FINANCIAL HIGHLIGHTS

The following table has been extracted from the Accountants' Report in Section 13 of this Prospectus and should be read in conjunction with the notes thereto. A summary of the financial results of Jestell from the date of incorporation (3 September 1997) to 31 December 1998 and for the financial years ended 31 December 1999 and 2000, and Global Soft from the date of incorporation (30 November 2000) to 31 December 2001 and for the financial year ended 31 December 2002:-

	<----- Jestell ----->			<-Global Soft Group->	
	Period from 3 September 1997 to 31 December 1998 RM'000	Financial year ended <---31 December---> 1999 RM'000	2000 RM'000	Period from 30 November 2000 to 31 December 2001 RM'000	Financial Year ended 31 December 2002 RM'000
Turnover	144	1,360	1,709	2,512	3,414
EBITDA	(49)	194	506	1,194	1,628
Less:-					
Interest expense	-	-	-	(5)	(19)
Depreciation	(2)	(10)	(20)	(70)	(132)
Amortisation	-	-	(51)	(80)	(165)
Profit/(Loss) before Taxation	(51)	184	435	1,039	1,312
Less : Taxation	-	-	-	(1)	(4)
Profit / (Loss) after taxation	(51)	184	435	1,038	1,308

1 SUMMARY INFORMATION (Cont'd)

	<----- Jestell ----->			<-Global Soft Group->	
	Period from 3 September 1997 to 31 December 1998 RM'000	Financial year ended ---31 December---> 1999 2000 RM'000 RM'000		Period from 30 November 2000 to 31 December 2001 RM'000	Financial year ended 31 December 2002 RM'000
MI	-	-	-	1	(4)
Profit/(Loss) after taxation and MI	(51)	184	435	1,039	1,304
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	1,000	1,000	1,000	10,157	17,146
Net earnings/(loss) per share based on weighted average number of shares in issue (RM)	(0.05)	0.18	0.44	0.10	0.08
Dividend (%)	-	-	-	-	57.1

Notes:-

- (i) Two (2) of the Promoters namely Koh Kean Mum and Low Kok Thai established Jestell in 1997 which was principally involved in the software development and provision of software consultancy services. In February 2001, pursuant to the MSC Restructuring Exercise, the businesses, assets and liabilities of Jestell were transferred to Global Soft. As such, the business operations of Global Soft is a continuation to the business operations of Jestell. In this respect, in order to better reflect the historical track records of Global Soft, the historical track record of Jestell have been included in the above financial highlights.
- (ii) The consolidated financial results of Global Soft have been prepared based on accounting policies consistent with those previously adopted in the preparation of the Group's audited financial statements.
- (iii) There were no exceptional or extraordinary items in respect of all the financial years/periods under review.
- (iv) The net earnings/(loss) per share for the respective financial years/periods under review have been calculated based on profit/(loss) after taxation and MI divided by the weighted average number of ordinary shares of RM0.10 each in issue for the respective financial years/periods. The par value of the ordinary shares in issue during the respective financial years of RM1.00 each have been subdivided into ordinary shares of RM0.10 each to facilitate comparison since Global Soft has on 13 September 2002 sub-divided its ordinary shares of RM1.00 each into ten (10) ordinary shares of RM0.10 each.
- (v) No provision for taxation has been made in the financial year ended 31 December 1999 as income earned in basis year 1999 is exempted from tax in accordance with the provisions of the Income Tax (Amendment) Act 1999.

No provision for taxation has been made even though Jestell generated profit before taxation of RM435,000 in the financial year ended 31 December 2000 as Jestell's double deduction tax incentive on research and development expenses were more than sufficient to offset against profit generated by Jestell.

1 SUMMARY INFORMATION (Cont'd)

There was no provision for taxation and deferred taxation for business profits for the financial year ended 31 December 2001 as Global Soft has been granted pioneer status under the Promotion of Investments Act, 1986, by virtue of its MSC status. The tax provision in respect of financial year ended 31 December 2001 and 31 December 2002 arose from bank interest income and dividend income received.

For further details on the financial information, please refer to Sections 6 and 13 of this Prospectus.

1.5 PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2002

The Proforma Consolidated Balance Sheets as at 31 December 2002 of the Company as set out below are provided for illustrative purposes only to show the effects of the Private Placement on the assumption that this transaction was completed on 31 December 2002.

	Audited as at 31 December 2002 RM'000	After the Private Placement RM'000
Current assets	2,525	6,429
Less: Current liabilities	(563)	(265)
Net current assets	1,962	6,164
Property, plant and equipment	584	584
Intangible assets	1,682	1,330
	4,228	8,078
Financed by:		
Share capital	3,280	4,280
Share premium	-	2,850
Retained profit	804	804
	4,084	7,934
Minority interest	-	-
Long term liabilities	144	144
	4,228	8,078
Number of ordinary shares of RM0.10 each in issue ('000)	32,800	42,800
NTA per ordinary share of RM0.10 each (sen)	7.3	15.4
NAV per ordinary share of RM0.10 each (sen)	12.5	18.5

Notes to the proforma consolidated balance sheets as at 31 December 2002 of Global Soft are set out in Section 14 of this Prospectus.

1 SUMMARY INFORMATION (Cont'd)

1.6 AUDIT QUALIFICATIONS

Tan Tin & Co. have been the auditors of Global Soft since its incorporation on 30 September 2000. Tan Tin & Co. also audited the financial statements of Global Soft (PG) since the financial year ended 31 December 2001. The financial statements of Global Soft and Global Soft (PG) for the relevant financial year/period under review have been audited and reported without any qualification.

1.7 PRINCIPAL STATISTICS RELATING TO THE PRIVATE PLACEMENT**(i) Share capital***Authorised:-*

50,000,000 Global Soft shares of RM0.10 each	<u>RM5,000,000</u>
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Issued and fully paid-up:-

32,800,000 Global Soft shares of RM0.10 each	RM3,280,000
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To be issued and credited pursuant to the Private Placement:-

10,000,000 Global Soft shares of RM0.10 each	RM1,000,000
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Enlarged issued and paid-up share capital

42,800,000 Global Soft shares of RM0.10 each	<u>RM4,280,000</u>
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(ii) Issue Price	49.5 sen
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(iii) Market capitalisation of Global Soft based on the Issue Price (RM'000)	21,186
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(iv) Proforma NTA

Proforma NTA as at 31 December 2002 after the Private Placement and deducting estimated listing expenses of RM1,100,000 (RM'000)	6,604
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Proforma NTA per Global Soft Share (based on the enlarged issued and paid-up share capital after the Private Placement)	15.4
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(v) Proforma NAV

Proforma NAV as at 31 December 2002 after the Private Placement and deducting estimated listing expenses of RM1,100,000 (RM'000)	7,934
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Proforma NAV per Global Soft Share (based on the enlarged issued and paid-up share capital after the Private Placement)	18.5
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1 SUMMARY INFORMATION (Cont'd)

(vi) Classes of shares and ranking

There is only one class of shares in Global Soft namely Global Soft Shares. The Issue Shares will upon allotment rank *pari passu* in all respects with one another and all other existing issued and paid-up Global Soft Shares including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of Global Soft Shares in the Company shall, in proportion to the amount paid-up on the Global Soft Shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in the event of liquidation of the Company, any surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with the Company's Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or authorised representative or proxy or attorney of a shareholder shall have one vote, and on poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Global Soft Share held. A proxy may but need not be a member of the Company.

1.8 OUTLOOK AND PROSPECTS

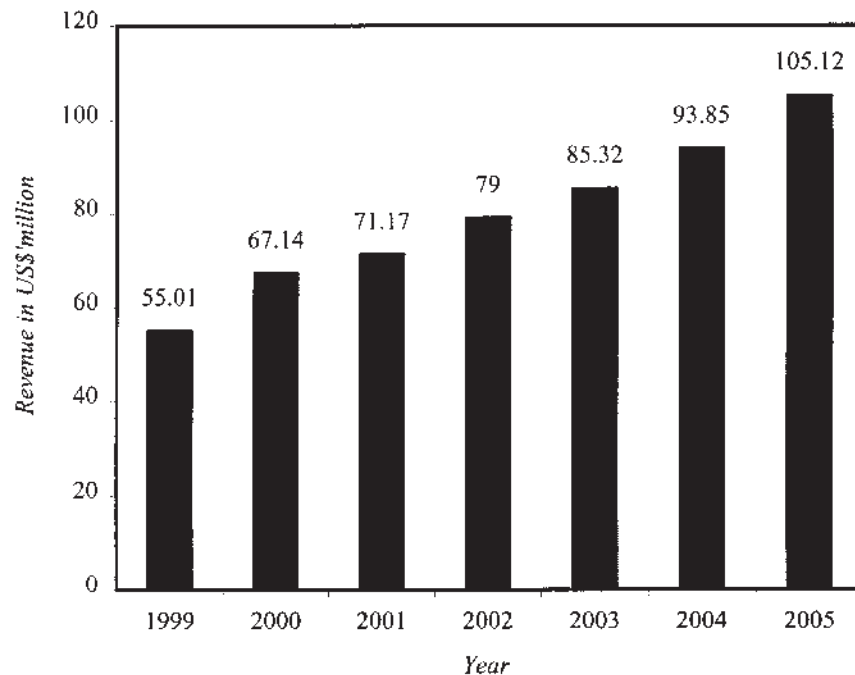
The Malaysian economy, with the stronger macroeconomic fundamentals already in place and complemented by more resilient corporate and financial sectors, is now poised to benefit from the much-improved global economic environment projected in 2003. Output expansion is anticipated in all sectors of the economy, with GDP envisaged to chalk 6%-6.5%, arising from a broader based economy with growth emanating from a more pronounced role of a revitalised and dynamic private sector. The manufacturing sector is expected to continue its expansion to record 8.5% increase in output and contribute 2.6 percentage points to GDP growth while the services sector, with a projected increase of 5.9%, remains the major contributor to growth with 3.3 percentage points. The construction sector is forecast to expand 4.5% while the agriculture and mining sectors are envisaged to improve by 3.4% and 2.5%, respectively.

The government will accelerate the transition to ICT in line with efforts to achieve a new knowledge-based economy. The implementation of the MSC has succeeded in developing infrastructure and infostructure, implementing flagship applications as well as creating a world-class multimedia centre to attract international corporations to MSC. Total sales of MSC companies are expected to surge to nearly RM5.7 billion this year compared with RM3.4 billion in 2001. In addition, a total of 18,900 employment opportunities is expected to be created by the year end 2002, of which 85% are skilled workers and 88% local workers.

(Source: Economic Report 2002/2003)

1 SUMMARY INFORMATION (Cont'd)

Based on the IDC Malaysia ERM 2001 report, IDC estimates that the ERM applications market in Malaysia was the seventh largest in 2000 in Asia Pacific, with total ERM application publisher revenues of US\$67.14 million (RM255.13 million). This market is expected to grow at a compound annual growth rate of 9.4%, resulting in total ERM applications publisher revenues of US\$105.12 million (RM399.46 million) in 2005. The Malaysian ERM software market forecast from 1998 to 2005 (figures denominated in US\$ millions) is as follows:-



Based on the above, the Board of Global Soft believes that the Group is well poised to capitalise on the abovementioned opportunities.

1.9 PROCEEDS FROM THE RIGHTS ISSUE AND PRIVATE PLACEMENT AND PROPOSED UTILISATION

The gross proceeds from the Rights Issue and Private Placement amounting to RM5,874,000 will accrue entirely to the Company and will be utilised as follows:-

	RM'000
Working capital	3,224
R & D expenses	1,380
Estimated listing expenses	1,100
Capital expenditure	170
	<u>5,874</u>

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

1 SUMMARY INFORMATION (Cont'd)**1.10 DIRECT AND INDIRECT SHAREHOLDINGS OF PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL**

The shareholdings of the Promoters, substantial shareholders, Directors and key personnel are as follows:-

1.10.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Name	Nationality/ Place of incorporation	Principal activity/ Designation	No. of Global Soft Shares <---held after Private Placement --->			
			Direct '000	%	Indirect '000	%
Koh Kean Mum ^{*1}	Malaysian	Managing Director	2,667	6.2	18,867	44.1 ^{*2}
Low Kok Thai ^{*1}	Malaysian	Executive Director	1,592	3.7	18,867	44.1 ^{*2}
Liu Sai Sum ^{*1}	Malaysian	Executive Director	439	1.0	-	-
Low Sook Teng	Malaysian	Non- Executive Director	-	-	21,534	50.3 ^{*3}
Binary ^{*1}	Malaysia	Investment holding	18,867	44.1	-	-
Chia Kee Siong	Malaysian	Investor	4,373	10.2	-	-

Notes:-

^{*1} Promoters of Global Soft.

^{*2} Deemed interest by virtue of his shareholding in Binary pursuant to Section 6A of the Act.

^{*3} Deemed interest by virtue of the shareholding of her husband, Koh Kean Mum, in Global Soft pursuant to Section 6A of the Act.

1.10.2 DIRECTORS

Name	Designation	No. of Global Soft Shares <-- held after Private Placement -->			
		Direct '000	%	Indirect '000	%
Koh Kean Mum	Chairman and Managing Director	2,667	6.2	18,867	44.1 ^{*1}
Low Kok Thai	Executive Director	1,592	3.7	18,867	44.1 ^{*1}
Liu Sai Sum	Executive Director	439	1.0	-	-
Low Sook Teng	Non-Executive Director	-	-	21,534	50.3 ^{*2}

1 SUMMARY INFORMATION (Cont'd)

Name	Designation	No. of Global Soft Shares <-- held after Private Placement -->			
		Direct '000	%	Indirect '000	%
Toh Hong Yau	Independent Non-Executive Director	-	-	-	-
Lee Teck Meng	Independent Non-Executive Director	-	-	-	-

Notes:-

*1 Deemed interest by virtue of his shareholding in Binary pursuant to Section 6A of the Act.

*2 Deemed interest by virtue of the shareholding of her husband, Koh Kean Mum, in Global Soft pursuant to Section 6A of the Act.

1.10.3 KEY PERSONNEL

Name	Designation	No. of Global Soft Shares <- held after Private Placement->			
		Direct '000	%	Indirect '000	%
Koh Kean Mum	Executive Chairman and Managing Director	2,667	6.2	18,867	44.1 ^{*1}
Low Kok Thai	Executive Director	1,592	3.7	18,867	44.1 ^{*1}
Liu Sai Sum	Executive Director	439	1.0	-	-
Abdul Razak bin Bakar	Senior Consulting Manager	-	-	-	-
Lee See Bee	Finance Manager	10	0.02	-	-
Tan Tow Boon	Branch Manager	-	-	-	-
Choo Khan Mein	Business Development Manager	722	1.7	-	-
Tan Yu Lian	Assistant R&D Manager	4	*	-	-
Chen Sing Chuan	R&D Developer	-	-	-	-
Tam Mooi Aie	R&D Developer	4	*	-	-
Foong Chee Kin	R&D Developer	-	-	-	-
Lee Kam Teen	Application Developer	-	-	-	-
Teh Chee Siong	Consultant	6	0.01	-	-
Lim Ai Shiang	Consultant	2	*	-	-
Justine Hoo Hui Yuan	Consultant	4	*	-	-

* negligible

I SUMMARY INFORMATION (Cont'd)

Detailed information on the Promoters, substantial shareholders, Directors and key personnel is set out in Section 8 of this Prospectus.

1.11 MATERIAL LITIGATION, COMMITMENTS AND CONTINGENT LIABILITIES

As at 19 February 2003, being the latest practicable date prior to the printing of the Prospectus, the Group:-

- (i) has no outstanding material contingent liabilities, loan capital outstanding or created but not issued, or mortgages other than advances from its directors and Jestell, a company which is controlled by certain directors of the Company namely Koh Kean Mum, Low Kok Thai and Liu Sai Sum, amounted to RM8,000 and RM12,201 respectively as at 31 December 2002, which are unsecured, interest-free and has no fixed term for repayment;
- (ii) has no contracted capital commitments not provided for in the accounts in respect of the purchase of land, building, plant and machinery and construction of factory buildings; and
- (iii) is not engaged in any material litigation either as plaintiff or defendant and the Directors of the Group have no knowledge of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially affect the position and business of the Group.

Please refer to Section 15 of this Prospectus for further details.

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