

This Prospectus has been seen and approved by the Directors and Promoter of 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 statement or other facts, the omission of which would make any statement herein false or misleading.

The Adviser and Underwriter acknowledge 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 Issue.

Approvals have been obtained from Kuala Lumpur Stock Exchange ("KLSE") for admission to the Official List of the MESDAQ Market and the Securities Commission ("SC") for the Issue. Nevertheless, the approval of KLSE and the SC shall not be taken to indicate that KLSE or the SC recommends the Issue which is the subject of this Prospectus and neither shall admission to the Official List of the MESDAQ Market be taken as an indication of the merits of the Company or the Group or the Issue Shares. KLSE and the SC shall not be liable for any material non-disclosure on the part of the Company and assume no responsibility for the correctness of any statement made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD THEREFORE RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

The Issue Price was entirely determined and agreed upon by the Company, the Adviser and Underwriter based on various relevant factors. Investors should form their own views on the valuation of the Issue Shares and the reasonableness of the bases used.

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

Characteristics of the MESDAQ Market of KLSE-

Investors should be aware that MESDAQ is a distinct market from the Main and Second Boards in many respects. In particular, companies listed on MESDAQ are subject to different qualitative and quantitative requirements, which have been primarily designed to accommodate high-growth and/or technology companies. Companies that are listed on MESDAQ may not have an operating history or any profit track record prior to listing. As such, whilst potential investment returns may be relatively high, companies listed on MESDAQ may be of higher investment risk. The regulatory philosophy underlying the MESDAQ Market is that the market should be allowed to determine the merits of the securities/instruments in a particular company. Hence, as with all investments, prospective investors should be aware of all potential risks in investing in such companies and should make the decision to invest after due and careful consideration by referring to, amongst others, the prospectus, latest financial statements and corporate announcements. In this respect, advice from a securities professional/adviser is strongly recommended.

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

Indicative Timetable

Date of Prospectus.....	25 June 2003
Opening of Application for the Issued Shares.....	25 June 2003
Closing of Application for the Issued Shares.....	8 July 2003
Tentative Balloting Date	12 July 2003
Tentative Date of Allotment.....	18 July 2003
Tentative Date of Despatch of Notices of Allotment to Successful Applicants	24 July 2003
Tentative Listing Date	30 July 2003

The directors of IFCA MSC Berhad and the Underwriter may mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the Application be extended, the dates for the allotment and listing of IFCA MSC Berhad's entire enlarged issued and paid-up share capital on the MESDAQ Market would be extended accordingly.

DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:-

Act	:	Companies Act, 1965
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Affiliated Companies	:	IFCA Consulting Co. Ltd., incorporated in Thailand, PT IFCA Consulting, incorporated in Indonesia and IFCA Consulting Pte Ltd, incorporated in Singapore
Bonus Issue	:	Bonus issue of 12,450,000 new ordinary shares of RM1.00 each to the existing shareholders of IFCA on the basis of approximately 5.79 new ordinary shares for every one (1) existing ordinary share held in the Company via the capitalisation of RM12,450,000, from the audited retained earnings account of the Company, as at 31 December 2002. The Bonus Issue was completed on 24 March 2003
CDS	:	Central Depository System
CDS Account	:	An account established by the Malaysian Central Depository Sdn Bhd for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor
CEO	:	Chief Executive Officer
EPS	:	Earnings per Share
ESOS	:	Employees Share Option Scheme
EY	:	Ernst & Young (AF: 0039)
FYE	:	Financial Year End
HP	:	Hewlett Packard
IBM	:	International Business Machines PLC
ICT	:	Information and Communication Technology
IDC	:	International Data Corporation Market Research (M) Sdn Bhd
IFCA or Company	:	IFCA MSC Berhad (formerly known as Software Online Sdn Bhd) (453392-T)
IFCA (Asia)	:	IFCA Software (Asia) Sdn Bhd (161054-V)
IFCA Group or Group	:	IFCA and its subsidiary companies
IFCA (JB)	:	IFCA Systems (JB) Sdn Bhd (275054-V)
IFCA (Penang)	:	IFCA Systems (Penang) Sdn Bhd (224605-U)

DEFINITIONS (cont'd)

IFCA (Sabah)	:	IFCA Consulting (Sabah) Sdn Bhd (345061-M)
IFCA (Sarawak)	:	IFCA Consulting (Sarawak) Sdn Bhd (423264-K)
IFCA (Shanghai)	:	Jingyou Information Technology (Shanghai) Co., Ltd (unofficial translation of its registered Chinese name), incorporated in the PRC
IFCAS	:	IFCA Solutions Sdn Bhd (452488-U)
IFCAT	:	IFCA Technology Sdn Bhd (450229-M)
IFCA Software	:	IFCA Software Ltd., a company incorporated in British Virgin Islands
Issue or Public Issue	:	The public issue of 72,430,000 Shares by the Company at the Issue Price subject to the terms and conditions of this Prospectus
Issue Price	:	RM0.20 for each Issue Share
Issue Shares	:	The 72,430,000 Shares in the capital of the Company to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
IT	:	Information Technology
KLSE or Exchange	:	Kuala Lumpur Stock Exchange
Listing	:	Listing of and quotation for the entire enlarged issued and paid-up capital of IFCA comprising 276,200,000 Shares on the MESDAQ Market
Listing Requirements	:	Listing requirements of the KLSE for the MESDAQ Market
MCD	:	Malaysian Central Depository Sdn Bhd (383322-D)
MDC	:	Multimedia Development Corporation
MESDAQ Market	:	The MESDAQ Market of KLSE
MIA	:	Malaysian Institute of Accountants
MICPA	:	Malaysian Institute of Certified Public Accountants
MIH	:	Malaysian Issuing House Sdn Bhd (258345-X)
Microsoft	:	Microsoft Corporation
MSC	:	Multimedia Super Corridor
NOSB	:	Network Online Sdn Bhd (439605-H)
NTA	:	Net Tangible Assets
Option(s)	:	The right to subscribe for new Shares of the Company upon acceptance of an offer under the ESOS

DEFINITIONS (cont'd)

OSK	:	OSK Securities Berhad (14152-V)
PAT	:	Profit After Tax
PBT	:	Profit Before Tax
PC	:	Personal Computers
PE Multiple	:	Price Earnings Multiple
PIKOM	:	Association of the Computer and Multimedia Industry of Malaysia
PRC	:	People's Republic of China
Promoter	:	IFCA (Asia)
Property Acquisitions	:	<ul style="list-style-type: none"> (i) IFCA had on 29 July 2002 entered into a conditional sale and purchase agreement with IFCA (Asia) to acquire the shop office situated on the land held under H.S. (D) 215180 P.T.D. 100395, Mukim Peleuntung, Daerah Johor Bahru, Johor for a purchase consideration of RM750,000, which was satisfied by the issuance of 750,000 new IFCA ordinary shares of RM1.00 each at par; (ii) IFCA had on 29 July 2002 entered into a conditional sale and purchase agreement with IFCA (Asia) to acquire the shop office identified as Parcel No. 2-5, Level 3, Plaza Pulau Tikus, Pulau Pinang for a purchase consideration of RM427,000, which was satisfied by the issuance of 427,000 new IFCA ordinary shares of RM1.00 each at par; and (iii) IFCA had on 29 July 2002 entered into twelve (12) conditional sale and purchase agreements with IFCA (Asia) to acquire 2 units of shoplots identified as parcel nos. F17-GF and F18-GF and 10 units of office lots identified as parcel nos. F17-L1, F17-L2, F17-L3, F17-L4, F17-L5, F18-L1, F18-L2, F18-L3, F18-L4 and F18-L5, all located within Prima Square, Petaling Jaya, Mukim of Sungai Buloh, District of Petaling, State of Selangor for a total purchase consideration of RM4,600,000, which was satisfied by the issuance of 4,600,000 new IFCA ordinary shares of RM1.00 each at par
PTSB	:	Push Technology Sdn Bhd (454594-K)
R&D	:	Research and Development
RM and Sen	:	Ringgit Malaysia and Sen, respectively
Share(s)	:	Ordinary share(s) of RM0.10 each in the capital of IFCA
Share Split	:	The subdivision of every existing one (1) ordinary share of RM1.00 par value each in IFCA into ten (10) new ordinary shares of RM0.10 par value each
USD	:	United States Dollar

TECHNICAL DEFINITIONS

Cross-Industry Applications (previously ERM applications) : Cross-industry applications are applications that automate and optimise business processes related to resources required to meet business objectives but with no special coding or other features for a particular industry. The resources automated could include people, capital, materials, intellectual capital, and facilities, and the resulting applications track, route, analyse, and report on information about these resources. The relevant functional application segments include:

Accounting Applications

- Human Resource Management and Payroll Applications
- Inventory Management Applications
- Procurement/Sales-Order Processing Applications

Maintenance Management Applications:

- Project Management Applications
- Business Performance Management Applications
- Other Enterprise Applications

CRM Applications : Customer-relationship management (CRM) applications automate the cross-enterprise, customer-facing non-industry-specific business processes within an organisation: sales, marketing, and customer support and contact centers. Collectively, these applications serve to manage the entire lifecycle of a customer – including the conversion of a potential customer into an existing customer — and help an organisation build and maintain successful relationships. The CRM applications classified as collaborative provide functionality to enable two or more individuals to share content to achieve a common goal. The CRM application segments include:

- Sales Applications
- Marketing Applications
- Customer Service and Contact Center Software

DNS : Digital Nervous System

DOS : Disc Operating System

ERM : Enterprise Resource Management

ERP : Enterprise Resource Planning

SQL : Structured Query Language

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Yong Keang Cheun (CEO)	1, Jalan 17/21G 46400 Petaling Jaya Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Yong Kian Keong (Deputy CEO)	1, Jalan SS2/16 47300 Petaling Jaya Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Ho Chee Siong (Executive Director)	49, Lorong Burung Sintang 3 Taman Bukit Maluri Kepong 52100 Kuala Lumpur Malaysia	Company Director	Malaysian
Ch'ng Kong San (Independent Non-Executive Director)	No. 39, Jalan Tempua 12 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Chew See Chiew (Independent Non-Executive Director)	No. 2, Jalan SS4C/16 47301 Petaling Jaya Selangor Darul Ehsan Malaysia	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Ch'ng Kong San	Chairman	Independent Non-Executive Director
Chew See Chiew	Member	Independent Non-Executive Director
Ho Chee Siong	Member	Executive Director

COMPANY SECRETARIES

: Yap Kim Sing (LS001376)
No. 9, Jalan 12/17
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Wong Kam Khan (MIA No. 3153)
Chartered Accountant
8, Jalan Tempua 12
Bandar Puchong Jaya
47100 Puchong
Selangor Darul Ehsan
Malaysia

1. **CORPORATE DIRECTORY (cont'd)**

- REGISTERED OFFICE** : 24B, Persiaran Zaaba
Taman Tun Dr Ismail
60000 Kuala Lumpur
Malaysia
Tel.: 03-7727 0321
Fax: 03-7727 0326
- HEAD OFFICE** : Wisma IFCA
19, Jalan PJU 1/42A
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel.: 03-7805 3838
Fax: 03-7804 0206
Website: www.ifca.com.my
Email: ifca@ifca.com.my
- REGISTRARS AND TRANSFER OFFICE** : Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Malaysia
- PRINCIPAL BANKERS** : Hong Leong Bank Berhad
1st Floor, No. 18 & 20
Jalan 20/16A
Taman Paramount
46300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- AUDITORS AND REPORTING ACCOUNTANTS** : Ernst & Young
4th Floor, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
- SOLICITORS FOR THE LISTING EXERCISE** : Zaid Ibrahim & Co
Level 19, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia
- VALUERS** : Colliers, Jordan Lee & Jaafar Sdn Bhd
Level 6, Block G North
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

1. **CORPORATE DIRECTORY (cont'd)**

Colliers, Jordan Lee & Jaafar (JH) Sdn Bhd
Suite 326, 3rd Floor
PanGlobal Plaza
Jalan Wong Ah Fook
80000 Johor Bahru
Johor Darul Takzim
Malaysia

Colliers, Jordan Lee & Jaafar (PG) Sdn Bhd
Suite 2.01, 2nd Floor
Bangunan Barkath
21, Lebuhr Pantai
10300 Pulau Pinang
Malaysia

**INDEPENDENT MARKET
RESEARCHER**

: IDC Market Research (M) Sdn Bhd
Suite 13-03, Level 13, Menara HLA
3, Jalan Kia Peng
50450 Kuala Lumpur
Malaysia

**ADVISER, SPONSOR,
UNDERWRITER AND PLACEMENT
AGENT**

: OSK Securities Berhad
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia

ISSUING HOUSE

: Malaysia Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

LISTING SOUGHT

: MESDAQ Market of the KLSE

2. PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Accountants' Report and Notes thereto, included elsewhere in this Prospectus. This Prospectus contains certain statements of a forward-looking nature relating to future events or the future financial performance of the Company and its subsidiary companies. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialised may differ materially from those disclosed in this Prospectus. Therefore, in evaluating such statements, prospective investors should carefully consider the various factors identified in this Prospectus, including the matters set forth under the heading "Risk Factors".

2.1 History, Principal Activities and Group Structure

IFCA was incorporated in Malaysia on 20 November 1997 under the Act as a private limited company under the name of Software Online Sdn Bhd. The Company was incorporated following an internal restructuring exercise whereby all the local businesses and the entire R&D operations of IFCA (Asia) were transferred to the Company. On 4 July 2002, it assumed its present name and was subsequently converted to a public company on 27 July 2002.

The Company is principally involved in R&D and selling of enterprise-wide integrated business solutions. This was in line with the Government's initiatives in the formation of the MSC partly to promote local R&D and the push to export local software products overseas. As IFCA was well poised to fulfill its own and the Malaysian Government's initiatives, it was accorded MSC status on 22 January 1998 by the MDC, the governing body of the MSC. With it, the Company enjoys a series of incentives, including corporate tax exemption, funding exemption, flexible movement of skilled IT professional from its overseas offices etc. Over the past five (5) years, the Company has successfully researched and developed five (5) industry-specific software solutions namely, Property Plus, Contract Plus, Loans Plus, ERP Plus and D'Resort, which were successfully launched and well accepted by the market.

The history of IFCA's products can be traced back to the establishment of IFCA (Asia) in April 1987 by its CEO, Yong Keang Cheun, who saw the potential and niche to be fulfilled in the market. IFCA (Asia)'s principal activity then was to develop fully integrated niche application software with complete functionality catering to the specific industries, which were lacking in the market. The software incorporates the full front-end functionality with the accounting backend in a single "one-vendor" solution. This software approach effectively eradicates duplication of work and provides businesses with a much better management tool to enhance efficiency and increase competitive edge. The success relating to the launches of D'Developer (for the property development and management industry), D'Project (for construction and engineering industry), D'Hotel and D'Club (for hotel and club industry) were clear indications of IFCA (Asia)'s software development capability and the market potential.

During the initial years, IFCA (Asia)'s primary focus was the development of software solutions targeted for the local property industry. D'Developer was the first product and was commercially launched in 1989, to meet the needs of both the property development and management companies for an integrated business solution.

Since then, in fulfilling the market needs, IFCA (Asia) has progressively researched and developed an additional range of products, catering to the other industries such as hospitality (club, hotel and resort) and construction and engineering industries. IFCA (Asia)'s profitability since 1994 has proven that there is market potential in its products. Since its incorporation and up until 1998, IFCA (Asia) has successfully distributed approximately 3,300 user licenses. IFCA, which has assumed the role of IFCA (Asia), has since its inception in 1997, successfully distributed its software solutions to approximately 14,300 users.

2. PROSPECTUS SUMMARY (cont'd)

IFCA (Asia) commenced business in the Klang Valley and to date, the business operations of the IFCA Group remain principally in Malaysia. In 1993, having established its presence in Malaysia, IFCA (Asia) and subsequently the IFCA Group extended its business reach and began distributing its products and services in Singapore and subsequently to other overseas markets. The distribution of the Group's products in overseas countries is carried out through IFCA Software. On 26 July 2002, both IFCA and IFCA Software entered into a Master Distributorship and Reseller Agreement to formalise all business arrangements with regards to the distribution of the Group's software products in all jurisdictions, other than in Malaysia and PRC, on a non-exclusive basis. The operations in Malaysia and PRC will continue to remain under the domain of IFCA.

IFCA (Asia), IFCA Consulting Sdn Bhd (the former trading arm of IFCA (Asia)) and IFCA Group have, over the years, had successful business alliances with major international computer corporations such as IBM, HP, Microsoft and Xen Business Solutions Sdn Bhd (for treasury management) and has won numerous awards in recognition of its contributions in the ICT industry including IBM Business Partners Leadership Award, IBM Business Partner Application Solution Award, PIKOM IT Achievement Award and Microsoft Partners Award Local Independent Software Vendor of the Year. For further details please refer to section 6.1 of this Prospectus.

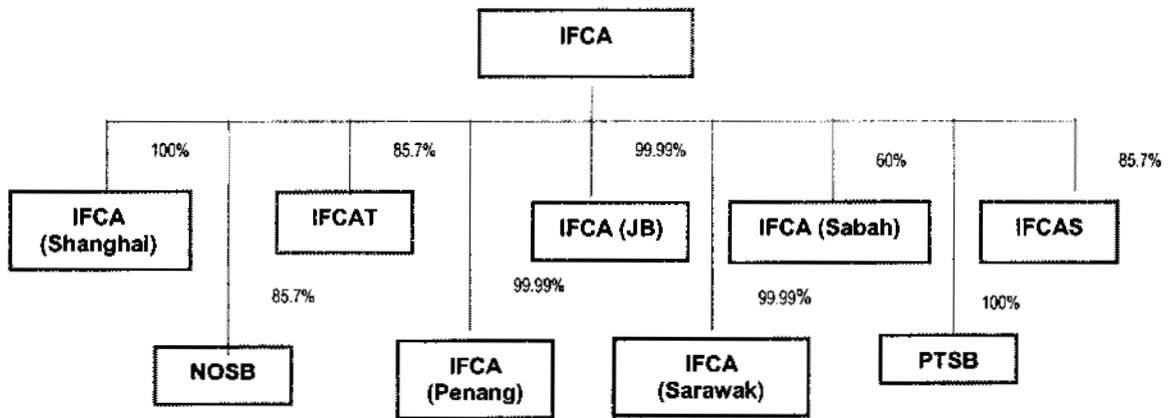
IFCA Group has grown to become a specialist business solutions provider for property development and management, construction and engineering, hospitality, finance and leasing, manufacturing and distribution industries. To date IFCA Group has provided its software and services to approximately 14,300 licensed users in twelve (12) countries spanning across four (4) continents namely Asia, Europe, Africa and Australia.

After the internal restructuring in 1997, IFCA assumed the full responsibility of software R&D and became the backbone of the Group. Its first mission was to redevelop and enhance the fleet of software solutions using the latest technologies. IFCA started the Windows-based software development since its inception. Over the past five (5) years, IFCA has successfully launched the new generation of software solutions for the property development and management industry (Property Plus), construction and engineering industry (Contract Plus) and hospitality industry (D'Resort). In addition to the successful redevelopment and enhancement of the core fleet products, IFCA also successfully added three (3) new products to its fleet of products. They are Loans Plus for the finance and leasing industry, ERP Plus for the manufacturing and distribution industry, Knowledge Plus for knowledge management and CRM. CRM is now incorporated as an integrated module in the fleet of products. To date, IFCA has approximately 14,300 licensed users, of which approximately 11,000 licensed users were added since the launching of the new generation software in 1998. The Group also managed to remain profitable despite the technological changes and the Asian financial crisis in 1997 and 1998.

The philosophy of IFCA has remained unchanged, which is to provide the market with quality niche enterprise-wide, integrated and collaborative software solutions. Its proprietary standardised software with complete and comprehensive functionality are primarily focused in five (5) main industries namely, 1) property development and management; 2) construction and engineering; 3) hospitality; 4) finance and leasing; and 5) manufacturing and distribution. IFCA's software is designed with comprehensive industry specific functionality, easy to use and maintains great scalability in order to achieve significant cost-saving opportunities through improved efficiency, productivity and better management control. It also provides services in conjunction with the sale of the Group's products, such as training and implementation, software support, customisation, sale of computer hardware and networking, and hence can be classified as a "turnkey" software solutions provider.

2. PROSPECTUS SUMMARY (cont'd)

IFCA has nine (9) subsidiary companies. Below is a graphical presentation of the Group structure:-



Further information on the subsidiary companies of IFCA is disclosed in section 6.6 “Information on IFCA Group” of this Prospectus.

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2. PROSPECTUS SUMMARY (cont'd)

2.2 Ownership and Management

Based on the Register of Shareholders of IFCA as at the date of this Prospectus, the direct and indirect interests of the substantial shareholders and Promoter in the issued share capital of the Company before and after the Public Issue are as follows:-

Shareholder/ Promoter	Nationality / Place of Incorporation	Before Public Issue			After Public Issue			After Full Exercise of ESOS ⁵		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
IFCA (Asia) ¹	Malaysia	183,904,762	90.25	-	183,904,762	66.58	-	183,904,762	51.22	-
Yong Keang Cheun	Malaysian	6,620,930	3.25	186,960,572 ²	6,620,930	2.40	186,960,572 ²	8,073,830 ⁶	2.25	188,413,472 ²
Yong Kian Keong	Malaysian	3,055,810	1.50	190,525,692 ³	3,055,810	1.11	190,525,692 ³	4,508,710 ⁶	1.26	191,978,592 ³
Ooi Bee Bee	Malaysian	10,188,498	5.00	-	11,092,798 ⁴	4.02	-	11,454,598 ⁶	3.19	-

Notes:-

- ¹ The principal activity of IFCA (Asia) is investment holding and its directors and substantial shareholders are listed in section 8.1.1 of this Prospectus.
- ² Deemed interested by virtue of his substantial shareholdings in IFCA (Asia) and his brother's shareholdings in IFCA.
- ³ Deemed interested by virtue of his substantial shareholdings in IFCA (Asia) and his brother's shareholdings in IFCA.
- ⁴ Based on her entitlement of 904,300 Shares pursuant to the allocation of Public Issue Shares to eligible employees of IFCA Group.
- ⁵ An ESOS will be implemented in conjunction with the Company's listing on the MESDAQ Market. The shareholdings shown here are based on the number of Options to be granted to Yong Keang Cheun, Yong Kian Keong and Ooi Bee Bee. The details of the ESOS are elaborated in section 6.5 of this Prospectus.
- ⁶ Based on their respective ESOS allocations as follows:-

	No. of ESOS Options
Yong Keang Cheun	1,452,900
Yong Kian Keong	1,452,900
Ooi Bee Bee	361,800

2. PROSPECTUS SUMMARY (cont'd)

Based on the Registrar of Directors' Shareholding of IFCA as at the date of this Prospectus, the direct and indirect interest of the Directors in the issued share capital of the Company before and after the Public Issue are as follows:-

Director	Nationality	Before Public Issue		After Public Issue		After Full Exercise of ESOS							
		No. of Shares	%	No. of Shares	%	No. of Shares	%						
Yong Keang Cheun	Malaysian	6,620,930	3.25	186,960,572 ¹	91.75	6,620,930	2.40	186,960,572 ¹	67.69	8,073,830 ⁴	2.25	188,413,472 ¹	52.47
Yong Kian Keong	Malaysian	3,055,810	1.50	190,525,692 ²	93.50	3,055,810	1.11	190,525,692 ²	68.98	4,508,710 ⁴	1.26	191,978,592 ²	53.47
Ho Chee Siang	Malaysian	-	-	-	-	674,600 ³	0.24	-	-	934,300 ⁴	0.26	-	-
Ch'ng Kong San	Malaysian	-	-	-	-	-	-	-	-	-	-	-	-
Chew See Chiew	Malaysian	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

- ¹ Deemed interested by virtue of his substantial shareholdings in IFCA (Asia) and his brother's shareholdings in IFCA
- ² Deemed interested by virtue of his substantial shareholdings in IFCA (Asia) and his brother's shareholdings in IFCA
- ³ Based on his entitlement pursuant to the allocation of Public Issue Shares to eligible employees of IFCA Group
- ⁴ Based on their respective ESOS allocations as follows:-

	No. of ESOS Options
Yong Keang Cheun	1,452,900
Yong Kian Keong	1,452,900
Ho Chee Siang	259,700

A description of the Promoter, substantial shareholders, directors and key management and their direct and indirect shareholdings in the Company, is disclosed in section 8 "Shareholders, Directors and Key Management" of this Prospectus.

2. PROSPECTUS SUMMARY (cont'd)

2.3 Products

IFCA's products are designed and developed solely by IFCA's internal resources. The software solutions are designed based on a "plug-in" modular architecture. Plug-in modular architecture allows greater ease and timely creation of functional solutions apart from providing customers with a higher degree of flexibility and scalability. Together with a limited amount of customisation, this plug-in modular architecture allows the Company to deliver tailor-made business solutions in a cost effective manner. The scalability of the IFCA products allows the Company to target customers of different scales and sizes.

IFCA believes that the key differentiations in IFCA's products are the industry specific functions and features and technologies incorporated into the software to cater for the fast changing needs of the industries and the increasing competitive business environments. Other than its enterprise-wide integration and complete functionality, IFCA's solutions are now embedded with "push technology" and DNS which are capable of providing users with proactive, event-driven real-time "Alerts" for them to take immediate action compared to the traditional "transaction-based" processing whereby users can only act upon reports generated on a periodic basis. It believes this is where IFCA is leading the industry with technology required by the demands of the respective industries.

IFCA currently offers software solutions for five (5) main industries:-

1. Property development and management
2. Construction and engineering
3. Hospitality
4. Finance and leasing
5. Manufacturing and distribution

A brief description of the software solutions sold by IFCA Group is as follows:-

1. Property development and management

Property Plus (Fully Integrated Property Development and Management System)

This comprehensive and fully integrated software was developed specifically for property companies that "Build, Sell or Rent". Its strength lies in its ability to track front-end activities such as contractor management, project cash flow modeling, prospecting, sales management, progress billings, sales receivables, handing-over, warranty periods, tenancy management, tenancy receivables, utility billings and seamlessly integrating to the back-end financial accounting and reporting functions. It supports multiple companies, multiple projects and property type.

2. Construction and engineering

Contract Plus (Fully Integrated Project Management System)

Contract Plus is a multi-company, multi-project and multi-currency software that facilitates and automates project costing from the project tendering all the way to the final project hand-over stage. It is an integrated business application designed to empower project-driven organisations. It is a cost effective business solution that supports project tendering, purchasing/materials/labour management, budgeting and administrating project-based activities within and beyond an enterprise environment. These front-end activities are seamlessly integrated to its back-end financial accounting and reporting functions.

2. **PROSPECTUS SUMMARY** *(cont'd)*

3. Hospitality

D'Resort – (Fully Integrated Resort Management System)

The D'Resort provides a total solution for the management of a resort. It is a fully integrated software catering to the management needs of a resort operator. It integrates the entire hotel and club operations. These include the functions of sales and marketing, front desk management, facilities for club management from membership recruitment and management, online credit and guest and member status verifications, food and beverage management (point-of-sales, menu, banqueting, inventory and purchasing), facilities and maintenance management, golfing (flight bookings, tournament, handicaps, caddies and buggies). These functions are seamlessly integrated to the back-end financial accounting and reporting functions.

D'Hotel – (Fully Integrated Hotel Management System)

This hotel management information system caters for the needs of a hotel operation with full integration from sales and marketing, front office activities, online guest credit verifications, food and beverage (point-of-sales, menu, banqueting, inventory, purchasing), maintenance management, PABX and electronic key lock interfaces. These functions are seamlessly integrated to the back-end financial accounting and reporting functions.

D'Club – (Fully Integrated Club Management System)

This fully integrated software caters for the needs of a club with full integration from sales and marketing (membership recruitment and management), food and beverage management (point-of-sales, menu, banqueting, inventory, purchasing), online credit and member status verifications, golfing management (flight bookings, tournament, handicaps, caddies and buggies), maintenance and facilities management. These functions are seamlessly integrated to the back-end financial accounting and reporting functions.

4. Finance and Leasing

Loans Plus (Fully Integrated Asset Leasing and Hire-Purchase Management System)

Loans Plus provides a total business solution for finance and mortgage companies that are involved in asset leasing, hire-purchase (consumer financing) or invoice-factoring. The enterprise-wide modular concept caters for the entire breath of the operations of a finance company. The software is designed to manage front-end activities such marketing, credit processing, cashiering, administration of leases, post-dated cheques, documentation, collateral, asset insurance, legal matters, management policies, and loan re-pricing. These activities are then fully integrated to the back-end financial accounting and reporting functions.

5. Manufacturing and distribution

ERP Plus (Fully Integrated Financial, Manufacturing and Distribution Management System)

ERP Plus comprises IFCA Financial, Manufacturing and Distribution Management Systems.

The IFCA Financial, Manufacturing and Distribution Management Systems or ERP Plus is an enterprise wide fully integrated business solution designed for companies that produces and maintains a wide range of products for sale and distribution. This is a comprehensive business software solution that covers every aspect of the users' operations; the production process, production schedules, material requirements planning, purchasing, inventory control, sales, distribution and financial accounting.

2. PROSPECTUS SUMMARY (cont'd)

6. CRM and Knowledge Management Information Systems

IFCA Knowledge Plus comprises IFCA CRM and Knowledge Management Information Systems .

Whilst IFCA's other software solutions have sales and marketing and customer service features, IFCA Knowledge Plus seeks to expand the scope of these features. IFCA Knowledge Plus is an enterprise-wide knowledge management software solution that automates five key business areas, namely marketing, sales, customer service, project management and personnel administration. This automation enables an organisation to capture, share and retain business information across all departments, enabling every employee to work and collaborate intelligently with each other. With 'knowledge' of these business areas, an organisation can improve customer satisfaction, increase productivity, and improve product quality, thus boosting revenue.

7. Optional solution for any IFCA product

IFCA Financial – (Fully Integrated Financial Accounting and Management System)

This comprehensive and fully integrated software was developed specifically as the financial backbone and foundation for all the required financial accounting and management functionality. It also forms the foundation for the seamless integration to all vertical solutions of IFCA Group. It provides a full spectrum of modules comprising accounts receivable, accounts payable, general ledger, fixed assets, cash-book, purchasing, inventory control, sales order processing, treasury, group consolidation. It supports multiple companies.

Further details on the above products are provided under section 6.8 of this Prospectus.

2.4 Services

As an integral part of the sale of its software, the Group offers services to its customers ranging from project implementation and supervision, customisation, training, maintenance and support to computer hardware sales, installation and maintenance services. The Group can therefore be classified as a turnkey solution provider in the IT business. These services also strengthen its relationship with its customers and add to its industry specific knowledge base for future product development and enhancement.

IFCA Group currently operates a call center located in its main office in Petaling Jaya. Besides providing maintenance and support services, the call center in Petaling Jaya provides help desk services to IFCA Group's clients. It deploys its Knowledge Plus solution to track all reported cases. It believes that service response time is a major factor considered by its customers in selecting a software.

IFCA Group's services include project implementation and supervision, customisation, training and maintenance and support services. It has developed a "10+1" implementation methodology to ensure all project implementations are systematically and professionally handled to ensure consistent and successful implementation. Revenue from services accounted for approximately thirty one (31%) per cent of its total revenue in FYE 2002 and it expects to continue to derive a significant portion of its revenue from these services. Other complementary services are hardware procurement, network installations and hardware and network maintenance.

2. PROSPECTUS SUMMARY (cont'd)

2.4.1 Project implementation and supervision

As part of the turnkey business solutions that it provides, IFCA assists its clients by providing project implementation and supervision services. It deploys the "10+1" implementation methodology in providing these services. The methodology includes business process studies to understand the clients' needs, training, user acceptance criteria and test output, process flow as well as provision of guidance in setting up master files, charts of accounts and financial reporting formats. The implementation services are either provided by IFCA or competency centers operated by its business partners. Project implementation and supervision services are billable based on the time spent and the cost of materials utilised.

2.4.2 Customisation

IFCA understands that different businesses have different needs and its standardised software may not be able to fully meet the customers' requirements. Hence, the ability to provide customisation service is one of the key differentiations to its success. Customisation fees are normally limited to five (5%) to ten (10%) per cent of each business solution that the Group provides. Extensive customisations will require extensive increase in manpower, which may not be feasible in the long run. IFCA retains the intellectual rights to all its customisations. These customised features may be incorporated into future upgrades if they can value-add to the industry.

2.4.3 Training

The success and benefits of a computerisation project is how well the users are trained to utilise the full functionality of the system to derive the maximum value from the investment. Therefore, training the users of the system is an integral part of the project. The duration of the training is dependent on the number of modules and user-license purchased. Practical training is important as most users are usually resistant to changes made to their existing systems. In any company, staff movement is inevitable and re-training of new staff is another source of revenue. IFCA Group normally charges the training on time spent and materials used basis. Competency centers provided by its business partners are also used to provide training to its overseas customers, if required.

2.4.4 Maintenance and support

Software support is an important service to maintain and maximise the value of the investment over the useful life of the system. IFCA Group provides software maintenance and support services to its customers on an annual subscription basis. Customers who sign up for this service will receive software fixes and patches, trouble-shooting, on-site support, remedial and preventive maintenance and call center services. Its call center, which operates with help desk and internet support, is commissioned to address queries and software issues promptly for all its customers both local as well as overseas. It has approximately eighty (80%) per cent customer subscriptions for the maintenance and support services and the revenue for FYE 2002 amounted to approximately RM5.15 million. It expects the revenue from maintenance and support to grow at the rate of five (5%) to ten (10%) per cent annually.

2.4.5 Other complementary services

Even though computer hardware and networking services are not the Group's core businesses, IFCA Group also strives to provide total customer services, if required. These complementary services include:-

2. PROSPECTUS SUMMARY (cont'd)

Hardware sales

As part of IFCA Group's total customer service, the Group assists its customers in procuring computer hardware or other additional third-party software as required for the installation of its proprietary software solutions.

Network installation services

IFCA provides network installation services as and when required by its customers. These include the design and installation of local or wide-area network systems. Provision of network switches, hubs, cabling and network configuration is part of the services.

Hardware maintenance services

IFCA provides hardware maintenance services to customers through its subsidiary company, NOSB. The services provided, which cover hardware and network remedial and preventive maintenance services is provided on an annual subscription basis.

2.5 Sales and Distribution Channels

IFCA Group employs a multi-channel sales and marketing strategy utilising three (3) primary channels:

- (i) direct sales;
- (ii) appointing overseas business partner (distributors); and
- (iii) indirect sales through strategic business alliances.

Presently, the Malaysian sales and distribution network is represented by its locally domiciled subsidiary companies where direct and indirect sales approaches are deployed. Overseas revenue is generated via business partners appointed through IFCA Software. The successful appointment of business partners in four (4) continents namely Asia, Africa, Australia and Europe has resulted in overseas revenue of approximately RM4.18 million in FYE 2002, which represents more than an eighteen (18) fold increase from the overseas revenue earned for FYE 1998.

Direct sales approach

Direct sales are sales done by IFCA's subsidiary companies. By gathering information from each respective industry or associated publications, public directories and vendor databases, IFCA Group solicits new customers within Malaysia through targeted mail shots and cold calls. Telemarketing techniques may also be used where a large database is involved. Depending on the needs of its prospective customers, specific seminars and customised workshops are organised to address the unique needs of these prospects from each industry. Apart from the Klang Valley, IFCA Group has four (4) direct sales offices located in Penang, Johor Baru, Kuching and Kota Kinabalu.

Indirect sales approach

IFCA Group also works closely with its hardware vendors and business alliances such as HP, IBM and Microsoft for new sales leads. It has an active account management team tasked to ensure customer satisfaction and convert existing customers into advocates of its software solutions. It also advertises in trade publications, participates in industry specific trade conventions, seminars and hold joint road-shows with its hardware vendor and business alliances to identify leads and to increase market awareness of the IFCA Group and its software solutions.

2. PROSPECTUS SUMMARY (cont'd)

Business partner (distributors)

Apart from the sales and marketing activities carried out by IFCA and its subsidiary companies, the international sales are marketed through channel partners worldwide. IFCA Software has been appointed the master distributor in undertaking this responsibility. The business partner programs are categorised as follows:-

- (i) *Business partners*
- (ii) *Gold partners*

Business partners

Business partners are recruited and remunerated by IFCA Software based on a Tier structure (Tier 1 to 4). Each Tier will attract a commission ranging from ten (10%) to fifty (50%) per cent of the application software price depending on the level of effort and participation provided by the business partner. For example, a mere referral without any involvement will be classified as "Tier-4" and will be paid a ten (10%) per cent commission whereas, a "Tier-1" business partner will provide both pre- and post-sales manpower and hence will be entitled to a fifty (50%) per cent commission on the application software price as well as fifty (50%) per cent of the annual software support revenue. All services revenue will be earned by the "Tier-1" business partners, as the implementation and training services are provided by them.

Gold partners

Gold partners will be recruited and remunerated by IFCA Software based on a fixed royalty fee payable on the sale of each application software. There are strict requirements both in terms of manpower requirement and upfront investment. Gold partners have the privileges of having the product source codes for localisation, language translation, and customisation as well as the rights to recruit "value-added-resellers" in their own territory. Partnership is strictly on a non-exclusive basis. All pre- and post-sales as well as technical services are provided by the gold partners. They will also need to set up a "resource or competency centre" to provide services to overseas customers wherever required. The main target of gold partner recruitment will be non-English speaking countries.

To date, IFCA Software has appointed business partners in Singapore, Thailand, Indonesia, Philippine, Hong Kong, Maldives, United Kingdom, United Arab Emirates, South Africa, Myanmar and Australia. IFCA has also appointed one gold partner in Thailand.

2.6 Technology, Intellectual Property and Licenses

IFCA regards its intellectual property rights as critical to its continued success and has taken steps, which it believes to be necessary and customary in its industry to protect its rights to that intellectual property.

IFCA's intellectual property includes the following:-

- (a) Copyright in relation to the literary works contained in the following computer software:
 1. D'Hotel
 2. D'Developer
 3. ERP
 4. D'Project
 5. D'Club
 6. IFCA Financial
 7. D'Resort
 8. Knowledge Plus
 9. D'Finance
 10. ERP Plus
 11. Property Plus
 12. Contract Plus
 13. Loan Plus

2. PROSPECTUS SUMMARY (cont'd)

- (b) Trademarks, service marks, trade dress, logos, trade names and corporate names;
- (c) Marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques, and methods of obtaining business, forecasts and forecast assumptions and volumes, and future plans and potential business strategies; and
- (d) Trade secrets and other confidential business information which is used in IFCA's business and which gives IFCA some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the conduct of its business.

IFCA has routinely taken such steps as are customary in its industry to protect its intellectual property rights, including the filing of trademark applications as described in part (b) above, the execution and affirmation of statutory declarations to claim copyright in respect of all its software and the execution of confidentiality agreements with its employees.

2.7 R&D Capabilities

Continuous R&D investment is crucial to IFCA's long term progress in view of the fast changing pace of IT technologies and ever demanding business requirements due to increase in business competition. Hence, IFCA Group continually invests significant resources in product development in order to take advantage of emerging technologies and to further broaden the functionality and performance of its software solutions. Today, IFCA's Windows-based application software is the fourth operating platform since its inception in 1987, starting from the DOS operating system and later migrating to Xenix and later to the UNIX platform before it was replaced by its current Windows-based application. Its R&D is currently investing in research on browser-based solutions to cater for the needs of the near future whereby browser-based application will be the norm. This is in view of the availability of broadband services, the ability to reach a larger internet user base, both locally and internationally, as well as the improvement in online security providing more secured and economical transactions over the web. It is also leveraging on other latest industrial and information technologies to position itself ahead of any impending competition.

At present, IFCA is directing IFCA Group's R&D efforts in the following key areas:-

1. Redeveloping and enhancing the fleet products to adapt to international standards and latest technological change;
2. Development of e-commerce features for its existing products;
3. Enhancing and upgrading existing software products;
4. Migration of the existing client-server technology to the browser-based solutions; and
5. Further enhancement to the ERP solution for manufacturing and distribution industry.

Further details on R&D Capabilities are disclosed in section 6.13 of this Prospectus.

2.8 Relationship with Microsoft

IFCA has a strong working relationship with Microsoft as all its application software are developed on Microsoft technologies such as Windows operating system, NT Platform and MS-SQL databases. IFCA Group believes that Microsoft is the right technology company to leverage on in view of its forward-looking vision as well as the large market acceptance of its products. The ease in sourcing Microsoft technology related manpower, visibility and credibility are the other considerations.

IFCA was accorded the first and only independent software vendor partnership in Malaysia by Microsoft in 1999. This prestigious partnership allowed IFCA to embed Microsoft products, for example SQL, Exchange etc. into its application software and offer the same to its customers at a very competitive price.

2. PROSPECTUS SUMMARY (cont'd)

IFCA is also a Microsoft Certified Partner, in recognition of its development of its application software on Microsoft's technologies.

Both these partnerships allow IFCA to tap into Microsoft's pool of expertise and obtain early access to their latest technologies to build and strengthen IFCA's competency and skill sets in software development.

2.9 Proforma Historical Financial Record

The table below sets out a summary of the audited proforma consolidated results of the Group for the past five (5) financial years ended 31 December 2002 and is provided for illustrative purposes based on the audited accounts of IFCA and its subsidiary companies, prepared on the assumption that the current structure of the Group had been in existence throughout the period under review:-

	←-----FYE 31 December-----→				
	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	12,061	24,521	19,959	19,824	23,413
Cost of sales	(3,767)	(8,118)	(5,143)	(4,618)	(5,723)
Gross profit	8,294	16,403	14,816	15,206	17,690
Profit before interest, depreciation, amortisation and taxation	2,937	6,779	4,954	5,865	6,491
Depreciation	(128)	(336)	(362)	(570)	(727)
Amortisation of deferred development costs	(390)	(696)	(1,537)	(2,352)	(3,096)
Interest expenses	(2)	(6)	(13)	(27)	(31)
Profit before taxation	2,417	5,741	3,042	2,916	2,637
Taxation	(44)	(2)	(165)	(61)	12
Profit after taxation	2,373	5,739	2,877	2,855	2,649
Minority interest	16	(207)	17	154	221
Profit for the year	2,389	5,532	2,894	3,009	2,870
Number of shares ('000) (shares assumed in issue after the Bonus Issue, Property Acquisitions and Share Split)	203,770	203,770	203,770	203,770	203,770
Net EPS (sen) ^(a)	1.17	2.71	1.42	1.48	1.41
Number of shares ('000) (based on enlarged share capital)	276,200	276,200	276,200	276,200	276,200
Net EPS (sen) ^(b)	0.87	2.00	1.05	1.09	1.04

Notes:-

^(a) The net EPS has been calculated based on the profit for the year and the number of shares of RM0.10 each assumed in issue after the Bonus Issue, Property Acquisitions and Share Split.

^(b) The net EPS has been calculated based on the profit for the year and the number of Shares after the Public Issue.

Please refer to section 5.1 for a summarised explanation on the IFCA Group's financial performance throughout the financial periods under review.

There were no audit qualifications for the financial years/periods under review.

2. PROSPECTUS SUMMARY (cont'd)

2.10 Proforma Consolidated Balance Sheets

The table below sets out the proforma consolidated balance sheets of the Group as at 31 December 2002 (which is to be read in conjunction with the Accountants' Report attached under section 11 of this Prospectus) and is provided for illustrative purposes based on the audited accounts of IFCA and its subsidiary companies and the listing scheme as stated in section 6.4 of this Prospectus:-

	←-----Proforma Group-----→				
	I	II	III	IV	
Audited Group as at 31 December 2002 RM'000	After Bonus Issue RM'000	After (I) and Property Acquisitions RM'000	After (II) and Share Split RM'000	After (III) and Public Issue RM'000	
Property, plant and equipment	2,664	2,664	8,441	8,441	8,441
Deferred development costs	7,410	7,410	7,410	7,410	7,410
Other investments	171	171	171	171	171
Current Assets	13,205	13,205	13,205	13,205	25,891
Current Liabilities	4,136	4,136	4,136	4,136	4,136
Net Current Assets	9,069	9,069	9,069	9,069	21,755
	19,314	19,314	25,091	25,091	37,777
Financed by					
Share capital	2,150	14,600	20,377	20,377	27,620
Share premium	-	-	-	-	5,443
Retained profits	16,967	4,517	4,517	4,517	4,517
Exchange reserve	1	1	1	1	1
Shareholders' funds	19,118	19,118	24,895	24,895	37,581
Minority interest	254	254	254	254	254
Goodwill on consolidation	(112)	(112)	(112)	(112)	(112)
Long term liabilities	54	54	54	54	54
	19,314	19,314	25,091	25,091	37,777
Number of ordinary shares in issue ('000)	2,150	14,600	20,377	203,770	276,200
NTA per share (RM)	5.39	0.79	0.85	0.09*	0.11*

Note: * Upon implementation of the Share Split, the NTA per share is calculated based on the number of ordinary shares of RM0.10 each in issue.

2.11 Risk Factors

Prospective investors, prior to making an investment in the Company, should carefully consider the risk factors inherent in and affecting the business of the Group and this offering. In addition, this Prospectus contains forward-looking statements that involve risks and uncertainties. The Group's actual results when materialised could differ materially from those disclosed herein. Factors that could cause or contribute to such differences include, but are not limited to, those disclosed in the "Risk Factors" section, and throughout this Prospectus.

The key risk factors that may affect the Group's future profitability are not limited to financial risks, market risks and industry risks, but include the following:-

2. PROSPECTUS SUMMARY (cont'd)

- i. Operating risks
- ii. Competition
- iii. Brand awareness
- iv. Rapid technological/product change in the software/ICT services market
- v. Product risks
- vi. Dependence on directors and key personnel
- vii. Reliance on other industries
- viii. Protection of group and third party proprietary technology/intellectual property rights
- ix. Delays in R&D
- x. Future capital injections
- xi. No prior market for IFCA Shares and possible volatility of share price
- xii. New geographical market
- xiii. Introduction of new products and market reception
- xiv. Continued control by existing shareholders
- xv. Foreign exchange risks
- xvi. Litigation risks
- xvii. Regulatory risks
- xviii. Change in MSC status
- xix. Uncertainty of proposed 5-year business development plan
- xx. Forward-looking statements

For a more detailed commentary on key risk factors, please refer to section 4 of this Prospectus.

2.12 Prospects and Outlook

The IFCA Group is principally engaged in the R&D and sales of enterprise-wide and integrated software solutions, which caters primarily to the property development and management, construction and engineering, hospitality, finance and leasing and manufacturing and distribution industries. The Group has been a supplier of enterprise software solutions to some major corporations, both locally and abroad and a significant portion of its customer base comprises of Malaysian public listed companies and small and medium scale enterprises.

The Group's business operations are mainly focused in Malaysia but over the last few years, its products have been distributed and been well received in other ASEAN and developing countries. The Group's efforts to diversify geographically have been fruitful given that the sales of its enterprise software solutions to overseas countries have contributed approximately 18.8% of the Group's total revenue (based on the results for the latest FYE 31 December 2002).

The Group's future prospects are promising given the expected growth in Malaysia's Gross Domestic Product ("GDP") and the bright outlook for the IT sector. Based on a report from IDC, the Malaysian packaged software market is expected to grow at a compounded annual growth rate of 8.5% from 2002 to 2007. The Malaysian packaged software market comprises of three primary markets, namely the applications market, system infrastructure software market and application development and deployment software market. IFCA's products fall within the application market, which accounts for 53% of the total Malaysian packaged software market.

The forces that are expected to drive the growth in the Malaysian packaged software market include:-

- Initiatives taken by the Malaysian Government to encourage the use of IT by local businesses. Various incentives have been put in place, which include IT funding, tax incentives, improving IT infrastructure, establishment of R&D facilities and transfer of IT technology and know-how.
- Shift towards web-based application architectures.

2. PROSPECTUS SUMMARY (cont'd)

- Increase in the use of IT by small and medium scale enterprises. IDC has reported that in 2001, the total market has reached USD2.2 billion, where the small and medium scale enterprises contributed 33% of this IT market.

As part of its future business plans, the Group will continue to evolve with on-going new technologies, such as browser-based solutions to ensure competitiveness as well as changing business needs and challenges. The browser-based solutions are the next revolution of the existing enterprise-wide software solutions to cater for e-commerce activities and other internet related services. This product evolution is timely as the use of the internet has grown significantly over the past few years, as can be seen from the increase in internet subscriber base of 205,000 in 1997 to a subscriber base of 2,115,000 in 2001 (*Source: Malaysian Communications and Multimedia Commission*). The use of the internet is expected to grow further in the future. A key strength of the IFCA Group in this product evolution initiative is its strong user base of approximately 14,300 users. This provides a strong foundation from which the Group can tap into for the marketing of its next generation products.

The Group's future prospects will also be driven by its expansion plans into PRC. The PRC offers enormous opportunities for the Group given that the PRC packaged software market is expected to grow at a compounded annual growth rate of 25.8% from 2002 to 2007 (*Source: IDC, Q4 2002*). The applications market, for which IFCA Group's products fall under, represents approximately 48.4% of the total PRC's packaged software market in 2002. The factors that are expected to drive the growth in the PRC packaged software market include:-

- PRC has become one of the largest IT hardware spending markets (over RM68.4 billion/USD18.0 billion) in the Asia Pacific region (excluding Japan) and hence, the software component is expected to increase in the future in order for companies to realise a better return on the huge investments made in the IT infrastructure/hardware. IDC had also reported that software spending only accounted for 9.2% of the IT market in PRC as compared to a worldwide ratio of 20%.
- The change in the economic structure in PRC towards decentralisation and reform is also expected to increase the demand for IT software.
- Government initiatives to improve the adoption of IT in PRC.

Please refer to section 7 "Industry Prospects and Outlook" for details.

2.13 Principal Statistics Relating to the Public Issue

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

Share Capital

Authorised share capital: 500,000,000 ordinary shares of RM0.10 each	RM <u>50,000,000</u>
Issued and fully paid-up share capital: 203,770,000 ordinary shares of RM0.10 each	20,377,000
To be issued pursuant to the Public Issue: 72,430,000 ordinary shares of RM0.10 each	7,243,000
Enlarged share capital upon listing: 276,200,000 ordinary shares of RM0.10 each	<u>27,620,000</u>
To be issued pursuant to full exercise of ESOS options*: 82,860,000 ordinary shares of RM0.10 each	8,286,000
Enlarged share capital upon full exercise of ESOS options: 359,060,000 ordinary shares of RM0.10 each	<u>35,906,000</u>

2. PROSPECTUS SUMMARY (cont'd)

Issue Price per ordinary share of RM0.10 each **RM0.20**

Market capitalisation upon listing (before ESOS) based on Issue Price of RM0.20 per ordinary share of RM0.10 each **RM55,240,000**

*Note:** IFCA has established an ESOS scheme of up to 30% of the issued and paid-up capital of IFCA in conjunction with its Listing.

There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each. The Issue Shares shall rank pari passu in all respects with the existing issued Shares of the Company, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of this Prospectus.

Detailed information on the share capital is disclosed in section 3.3 of this Prospectus.

Proforma NTA based on the Proforma Consolidated Balance Sheets as at 31 December 2002:-

Proforma NTA upon listing (RM)	30,059,111
Proforma NTA per share upon listing (RM)	0.11

The Company's future financials are not disclosed in this Prospectus as it is difficult to forecast due to its uncertain nature and inherent risks such as, but not limited to, those discussed in section 4 of this Prospectus.

2.14 Proceeds of Issue and Proposed Utilisation

Based on an Issue Price of RM0.20 per Share, the Company expects the gross proceeds of the Public Issue of approximately RM14.5 million to accrue to the Company.

The proceeds from the Public Issue of approximately RM14.5 million are expected to be utilised for the following:-

Purpose	Note	RM'000
Overseas investments	(i)	1,500
R&D expenditure	(ii)	7,000
Renovation and upgrading of PCs and other office equipment	(iii)	1,000
Working capital	(iv)	3,186
Estimated listing expenses		1,800
		14,486

Notes:-

- (i) *The Group has incorporated a subsidiary in Shanghai, PRC. The allocation of RM1.5 million will be applied towards subscription of share capital in the new subsidiary, initial set up cost and operating expenses for the next 24 months.*
- (ii) *As part of the Group's ongoing efforts to maintain technological advantage over its competitors, the Group has allocated RM7 million of the proceeds raised for the development of its browser-based solutions as well as continuing enhancement of existing range of products for the next 24 months. The allocation will cover the R&D team's salary cost, computer hardware and software and related overheads.*
- (iii) *As part of its effort to enhance its image and branding, the Group has allocated RM1 million for renovation and upgrading of computer hardware and other office equipment, more specifically the upgrading of user training facilities.*

2. PROSPECTUS SUMMARY (cont'd)

- (iv) *The allocation of approximately RM3.2 million as additional working capital for the Group is necessary to allow the Group to be more aggressive in sales and marketing efforts. A higher turnover would result in higher debtors as well as sales related expenditure. The Group also intends to beef up its marketing efforts by directing part of the working capital for purposes of participating in exhibitions and conducting market studies.*

It is intended that the above-mentioned proceeds of approximately RM14.5 million will be utilised within 24 months from the listing date.

2.15 Material Litigation, Capital Commitments and Contingent Liabilities

As at 16 June 2003, being the last practicable date prior to the printing of this Prospectus, there are no material litigation, capital commitment or contingent liability which may have a material effect on the business/financial position of the Company. Further details are disclosed in section 14.7 on "Other General Information" of this Prospectus.

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