

This Prospectus has been seen and approved by the directors and promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after having made all reasonable enquiries, that 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.

OSK, being the Adviser, Sponsor, Underwriter and Placement Agent 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 Public Issue (as hereinafter defined).

The SC and the KLSE has approved the issue, offer or invitation in respect of the Public Issue and that the approval shall not be taken to indicate that the SC and the KLSE recommends the Public Issue. The SC and the KLSE shall not be liable for any non-disclosure on the part of the corporation and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the invitation, Company or of its securities. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

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.

Characteristics of the MESDAQ Market:-

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 quantitative and qualitative 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 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.

Securities listed on the KLSE are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 45 of the Securities Commission Act 1993, e.g. directors and advisers, are responsible.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibilities for its contents.

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

Indicative Timetable

Opening of the application for the Issue Shares	30 June 2003
Closing of the application for the Issue Shares	11 July 2003*
Balloting of the application for the Issue Shares	15 July 2003
Allotment of the Issue Shares	17 July 2003
Tentative listing date	28 July 2003

Note:

- * *The Directors of IAB and the Underwriter may in their absolute discretion 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 of the Issue Shares and the listing of and quotation for the entire enlarged issued and paid-up share capital of IAB on the MESDAQ Market of the KLSE 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
ARSSB	:	atCom (R&D) Systems Sdn Bhd (147873-H)
C&A	:	Cheang & Ariff
CDS	:	Central Depository System
Cell-Infotech	:	Cell-Infotech Inc., Japan
EPS	:	Earnings Per Share
ESOS	:	Employee Share Option Scheme
FAPL	:	Fujitsu Asia Private Limited, Singapore
FMSB	:	Fujitsu (Malaysia) Sdn Bhd (420052-H)
Fujitsu	:	Fujitsu Limited and its subsidiaries
FYE	:	Financial Year End
Group	:	The Infotech Alliance Berhad Group, comprising IAB, ISSB, IASB and IAIPL
Horwath	:	Horwath - Kuala Lumpur Office (<i>formerly practising under Horwath Mok & Poon</i>)
IAB or the Company	:	Infotech Alliance Berhad (439230-A) (<i>formerly known as Infotech MSC Sdn Bhd</i>)
IAIPL	:	Infotech Alliance India Private Limited (incorporated in India) (<i>formerly known as Infotech Software Private Limited</i>)
IASB	:	Infotech atCom Sdn Bhd (297387-W) (<i>formerly known as WinAcc atCom Sdn Bhd</i>)
IESB	:	Infotech Equities Sdn Bhd (438611-V) (<i>formerly known as Infotech Integration Sdn Bhd</i>)
ISSB	:	Infotech Software Sdn Bhd (206708-P)
Infotech Alliance Group of Companies	:	Collectively, the Group (as defined above), SISD and Cell-Infotech
Issue or Public Issue	:	The public issue of 15,000,000 Shares by the Company at the Issue Price subject to the terms and conditions of this Prospectus
Issue Price	:	RM0.37 for each Issue Share

DEFINITIONS

Issue Shares	:	The 15,000,000 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
KLSE or Exchange	:	Kuala Lumpur Stock Exchange (30632-P)
Listing	:	Listing of and quotation for the entire enlarged issued and paid-up capital of IAB comprising 60,000,000 Shares on the MESDAQ Market
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W)
MDC	:	Multimedia Development Corporation Sdn Bhd (389346-D)
MESDAQ Market	:	The MESDAQ Market of the KLSE
MGS	:	Multimedia Super Corridor Research & Development Grant Scheme
MIH	:	Malaysian Issuing House Sdn Bhd (258345-X)
MITI	:	Ministry of International Trade and Industry
MNCs	:	Multinational Corporations
MoU	:	Memorandum of Understanding
MSC	:	Multimedia Super Corridor
NAV	:	Net Asset Value
NTA	:	Net Tangible Asset
OJC	:	Overseas Japanese Companies
OSK	:	OSK Securities Berhad (14152-V)
OSKHB	:	OSK Holdings Berhad (207075-U)
OSKTV	:	OSK Technology Ventures Sdn Bhd (319604-V) <i>(formerly known as OSK Property Management Berhad)</i>
PAT	:	Profit After Tax
PBT	:	Profit Before Tax
PE Multiple	:	Price Earnings Multiple
Promoters	:	Mr Tan Teong Boon, Mr Chen Fam Tet, Madam Soo Kuan Yow, IESB and Mr Hideo Hirahara
R&D	:	Research and development
RM and Sen	:	Ringgit Malaysia and Sen, respectively
SC	:	Securities Commission

DEFINITIONS

SC Act	:	Securities Commission Act, 1993
Shares	:	Ordinary shares of RM0.10 each in the capital of IAB
SISD	:	Shanghai Infortech Software Development Co Ltd (incorporated in China)
SMEs	:	Small - Medium Scale Enterprises
USD	:	United States Dollar
VAP	:	Value Added Partner
VAR	:	Value Added Reseller

DEFINITIONS**Technical Definitions**

.NET	:	Comprises both a business strategy from Microsoft and its collection of programming support for what are known as Web Services, the ability to use the web rather than one's own computer for various services
ASP	:	Application Service Provider, a company that offers individuals or enterprises access over the Internet to applications and related services that would otherwise have to be located in their own personal or enterprise computers
B2B	:	Business-to-Business
B2C	:	Business-to-Consumer
CASE	:	Computer-Aided Software Engineering
CMM	:	Capability Maturity Model
CRM	:	Customer Relationship Management, an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way
e-Commerce	:	Electronic Commerce, or e-Commerce in short, is the buying and selling of goods and services on the Internet, especially on the world wide web
ERM	:	Enterprise Resource Management, a term for software that manages all of a company's assets and resources
ERP	:	Enterprise Resource Planning, an industry term for the broad set of activities supported by multi-module application software that helps a manufacturer or other business manage the important parts of its business
Extranet	:	A private network that uses the Internet protocol and the public telecommunication system to securely share part of a business' information or operations with suppliers, vendors, partners, customers, or other businesses
ICT	:	Information and Communication Technology
Internet	:	Refers to the worldwide system of computer networks - a network of networks in which users at any one computer can, if they have permission, get information from any other computer
Intranet	:	A private network that is contained within an enterprise. It may consist of many interlinked local area networks and also use leased lines in the Wide Area Network
IP VPN	:	Internet Protocol Virtual Private Network, a routed link between two or more points across a heterogeneous network topology with various degrees of security that ensure privacy for all parties

DEFINITIONS

ISP	:	Internet Service Provider, a company that provides individuals and other companies access to the Internet and other related services such as web site building and virtual hosting
IP	:	Intellectual Property
IT	:	Information Technology
MIS	:	Management Information Systems
PABX	:	Private Automatic Branch Exchange, an automatic telephone switching system within a private enterprise.
PC	:	Personal Computer
SCM	:	Supply Chain Management, the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer
Tunnelling Protocol	:	Relative to the Internet, tunnelling is using the Internet as part of a private secure network. The "tunnel" is the particular path that a given company message or file might travel through the Internet
WAN	:	Wide Area Network, a geographically dispersed telecommunications network
Web Services	:	Services (usually including some combination of programming and data, but possibly including human resources as well) that are made available from a business's web server for online users or other web-connected programs
XML	:	Extensible Markup Language, a flexible way to create common information formats and share both the format and the data on the world wide web, Intranets, and elsewhere

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Hideo Hirahara (Non-Executive Chairman)	3-17-9-506, Taito Taito-Ku Tokyo 110-0016 Japan	Company Director	Japanese
Tan Teong Boon (Managing Director)	2, Jalan PJS 7/1A Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Chen Fam Tet (Executive Director)	315, Jalan Tun Dr Ismail Taman Suria 70200 Seremban Negeri Sembilan Darul Khusus	Company Director	Malaysian
Soo Kuan Yow (Executive Director)	53, Jalan Pandan Indah 1/10 Pandan Indah 55100 Kuala Lumpur	Company Director	Malaysian
Shamsudin @ Samad bin Kassim (Independent Non-Executive Director)	No. 53, Jalan SS3/53 Taman Subang 47300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lee Soo Hong @ Lee Soo Pin (Independent Non-Executive Director)	5, Jalan Za'aba 70100 Seremban Negeri Sembilan Darul Khusus	Chartered Accountant	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Lee Soo Hong @ Lee Soo Pin	Chairman	Independent Non-Executive Director
Shamsudin @ Samad bin Kassim	Member	Independent Non-Executive Director
Soo Kuan Yow	Member	Executive Director

COMPANY SECRETARIES

- : Lee Ming Leong (MAICSA 7006926)
101, Jalan 17/4
46400 Petaling Jaya
Selangor Darul Ehsan
- Mah Li Chen (MAICSA 7022751)
No. 33, Jalan BRP 4/6
Bukit Rahman Putra
Seksyen U20
40160 Shah Alam
Selangor Darul Ehsan

1. CORPORATE DIRECTORY

- REGISTERED OFFICE** : No. 58-1, Jalan PJS 11/28A
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Tel.: 03-5637 4388
Fax: 03-5637 4288
- HEAD OFFICE** : No. 58-1, Jalan PJS 11/28A
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Tel.: 03-5637 4388
Fax: 03-5637 4288
Website: www.infortechalliance.com
E-mail: iab@infortech.com.my
- REGISTRARS AND TRANSFER OFFICE** : Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2145 4337
- PRINCIPAL BANKERS** : Malayan Banking Berhad
30 & 32, Jalan PJS 11/28A
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-5637 0867
- Public Bank Berhad
48 & 50, Jalan PJS11/28A
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-5636 4138
- Hong Leong Bank Berhad
147, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2141 1402

1. CORPORATE DIRECTORY

- AUDITORS AND REPORTING ACCOUNTANTS** : Horwath (*formerly practising under Horwath Mok & Poon*)
(AF 1018)
Level 16 Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2166 0000
- SOLICITORS FOR THE LISTING EXERCISE** : Cheang & Ariff
39 Court
39, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2161 0803
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : OSK Securities Berhad
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2162 4388
- ISSUING HOUSE** : Malaysia Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2693 2075
- LISTING SOUGHT** : MESDAQ Market of the Kuala Lumpur Stock Exchange

2. PROSPECTUS SUMMARY

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 factors identified in this Prospectus, including the matters set forth under the heading "Risk Factors".

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 summary is only a summary of the salient information regarding the corporation/group and investors should read and understand the entire Prospectus prior to deciding whether to invest.

2.1 History, Principal Activities and Group Structure

IAB was incorporated in Malaysia on 14 July 1997 under the Act as a private limited company under the name of Infortech Hypersoft Sdn Bhd. On 9 September 1997, the name of the Company was changed to Infortech MSC Sdn Bhd to reflect the new MSC status accorded to the Company by the MDC. On 10 December 2002, the Company changed its name again to Infortech Alliance Sdn Bhd. The Company converted to a public company on 16 December 2002, for the purposes of the Listing.

IAB is a niche enterprise software solutions provider for integrated business solutions. Its proprietary suite of customizable software solutions, which can be deployed on the cost-effective Internet infrastructure, is expected to provide comprehensive and end-to-end solutions to companies operating across national borders. Software developers and users alike will be able to further customize and build country-specific, language-specific as well as customer specific web-based enterprise applications to suit their overseas subsidiaries' unique business needs. This is possible through the deployment of one of the Company's products, atCom Studio which is a web-based application rapid development tool. This tool was the result of the Company's R&D efforts supported by a grant amounting to approximately RM3.1 million under the MGS administered by MDC.

During the initial years, IAB developed customized software serving mainly Japanese MNCs such as Fujitsu. IAB worked closely with Cell-Infortech and SISD to market IAB's products and services to Japan and OJC in Asia, in particular China.

In 1993, ISSB, a subsidiary within the Group, developed a Windows based Accounting Software called WinAcc™. Since 1995, the software has been sold to companies in Malaysia, Singapore and Hong Kong, and also to China by Cell-Infortech on behalf of ISSB. Encouraged by WinAcc™'s success, ISSB applied and was awarded pioneer status from MITI for developing an integrated Windows-based Hotel Management software called WinAcc Hotel Suite.

In 1997, ISSB started a 60% owned subsidiary called Infortech Software Private Limited with its former employees of Indian nationality in Kochi, India to take advantage of the low-cost software talent there. The company was subsequently renamed IA IPL on 20 March 2002.

In 1997, ISSB together with ARSSB, invested in IASB as part of the joint venture to further enhance and market the atCom Human Resource software. The atCom Human Resource software was previously developed and launched by ARSSB in 1985 and was named as finalists for the PIKOM-Computimes Software Award for three (3) years in 1991, 1992 and 1993. ARSSB ceased its development activities in 1997 and is now an authorised reseller of IAB's products.

2. PROSPECTUS SUMMARY

The Group's clients are mainly OJC operating in various parts of Asia, and for which the Group intends to continue to maintain strong ties with. As the Group works closely with Fujitsu and Cell-Infortech in the OJC market, the Group is able to capitalize on their brand name and creditability among the OJC. In addition to its in-house marketing under its own brand name, the Group also has an understanding with FAPL for the latter to be appointed as a distributor to market and sell the atCom Human Resource Solution product in the OJC market in the Asean region under the "Fujitsu/atCom" brand name. For local customers, the Group markets and sells its products and services through its network of value added partners and resellers, in addition to direct retail sales to its customers. It has developed business relationships of up to ten (10) years with established OJC which include, *inter alia*, Fujitsu, Matsushita Electric Co., (M) Berhad, Porite (M) Sdn Bhd, Daiken Sarawak Sdn Bhd and Hazama Corporation.

The Group's competitive advantage may be found in the close working relationship with and the strength of its marketing partners such as FAPL, FMSB, SISD and Cell-Infortech, which covers the OJC market in most part of Asia. In addition, the Group's strength also lies in its ten (10) years of experience in the development of software systems and the provision of software support services for its Japanese and OJC clients.

The Group currently offers ERP/ERM solutions, which consists of financial management, human resource management, supply chain management, enterprise portal management and e-Commerce systems. In addition, the Group also offers other software applications that are developed in-house and by other third parties. The Group also offers system integration services to clients for the design, installation and maintenance of the client's server and network to enable the same to host atCom products and other applications so that they may be accessed via the Intranet and Extranet using a secured IP VPN.

With the rollout of the ASP model, the Group believes that its customers will be able to experience significant cost-savings through the sharing of professionally and centrally managed servers, networks, software and maintenance services with the Group's other customers. The Group also believes that broadband communication will achieve widespread acceptance, thus making the setting up of a cross-border, sophisticated network system more feasible and attractive to a company. In addition, companies are also able to enjoy the benefits derived from the real time consolidation of financial data to aid in centralized decision making.

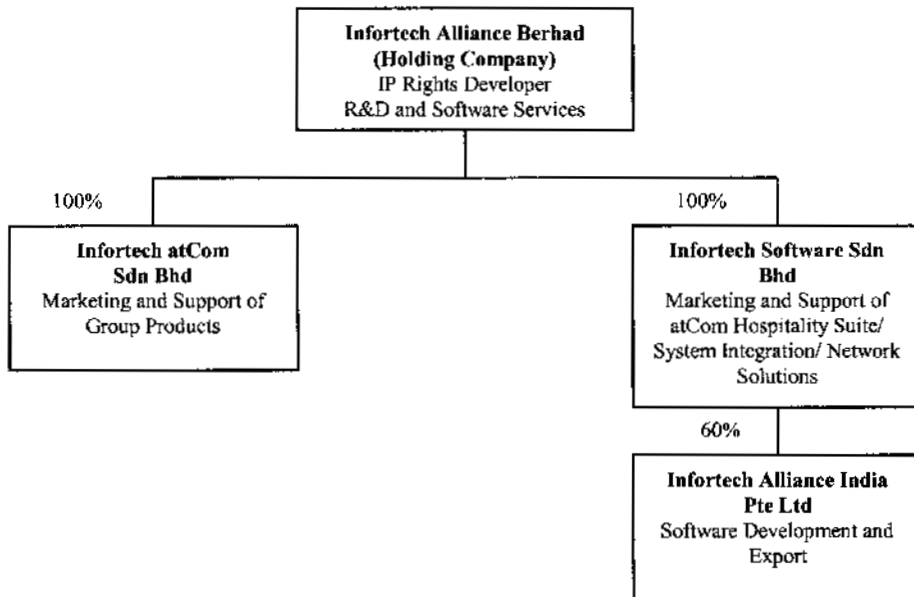
In this regard, the Group aspires to be one of the premier enterprise applications and services providers serving the Asian market with its "Made-in-Asia" business solutions.

The Group consists of IAB and its three (3) subsidiaries, two of which are wholly-owned by IAB. In addition, the Company also owns a 7.6% stake in a company based in Shanghai, China, which also serves as its Infortech Alliance sales representative office for the Chinese market.

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2. PROSPECTUS SUMMARY

Appended below is a graphical presentation of the Group structure for IAB:-



Further information on the subsidiary companies of IAB is disclosed in **Section 6** of this Prospectus.

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2. PROSPECTUS SUMMARY

2.2 Ownership and Management

Based on the Register of Substantial Shareholders of IAB as at 16 June 2003, being the last practicable date prior to the printing of this Prospectus, the direct and indirect interests of the substantial shareholders and Promoters 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			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
IESB *	Malaysia	27,385,670	60.86	-	-	27,385,670	45.64	-	-
OSKTV	Malaysia	5,062,500	11.25	-	-	5,062,500	8.44	-	-
OSKHB	Malaysia	-	-	5,062,500 ¹	11.25	-	-	5,062,500 ¹	8.44
Hideo Hirahara *	Japanese	924,610	2.05	28,236,340 ²	62.75	1,014,610	1.69	28,236,340 ²	47.06
Tan Teong Boon *	Malaysian	2,039,670	4.53	27,385,670 ³	60.86	2,109,670	3.52	27,385,670 ³	45.64
Soo Kuan Yow **	Malaysian	772,810	1.72	27,385,670 ³	60.86	842,810	1.40	27,385,670 ³	45.64
Chen Fam Tet *	Malaysian	506,350	1.13	27,385,670 ³	60.86	576,350	0.96	27,385,670 ³	45.64

Notes:-

- * Promoter of IAB
¹ Deemed interest by virtue of its shareholding in OSKTV
² Deemed interest by virtue of his shareholding in IESB and Cell-Infortech
³ Deemed interest by virtue of his/her shareholding in IESB

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2. PROSPECTUS SUMMARY

Based on the Register of Directors' Shareholding of IAB as at 16 June 2003, being the last practicable date prior to the printing 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	Before Public Issue			After Public Issue		
	No. of Shares	%	Indirect No. of Shares	No. of Shares	%	Indirect No. of Shares
Hideo Hirahara	924,610	2.05	28,236,340 ¹	1,014,610	1.69	28,236,340 ¹
Tan Teong Boon	2,039,670	4.53	27,385,670 ²	2,109,670	3.52	27,385,670 ²
Soo Kuan Yow	772,810	1.72	27,385,670 ²	842,810	1.40	27,385,670 ²
Chen Fam Tet	506,350	1.13	27,385,670 ²	576,350	0.96	27,385,670 ²
Shamsudin @ Samad bin Kassim	-	-	243,830 ³	33,300	0.06	243,830 ³
Lee Soo Hong @ Lee Soo Pin	-	-	-	27,800	0.05	-

Notes:-

¹ Deemed interest by virtue of his shareholding in IESB and Cell-Infortech

² Deemed interest by virtue of his/her shareholding in IESB

³ Deemed interest by virtue of his family's shareholdings in Fjarrow (M) Sdn Bhd

A description of the Promoters, substantial shareholders, directors, key management and technical personnel, and their direct and indirect shareholdings in the Company, is disclosed in Section 7 of this Prospectus.

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2. PROSPECTUS SUMMARY

2.3 Products

The Group has successfully deployed various enterprise applications in companies operating in the manufacturing, construction, retail, hospitality and trading industries, across the Asia region.

2.3.1 ERM Solutions

The core product of the Group is its atCom ERM, which is a comprehensive, scalable, multilingual web-based ERM/ERP solution. The atCom ERM comprises, *inter alia*, the following five (5) main systems:

atCom Financials is a financial application system that manages the financial affairs of the company. It comprises the General Ledger, Accounts Receivable, Accounts Payable, Cash Management and Fixed Assets modules.

atCom Human Resource Management (“HRM”) is a human resource management system that manages and assists in the deployment of human capital in a globalized environment.

atCom Supply Chain Management (“SCM”) is a supply chain and distribution management system to help companies manage materials, information and finances across national borders.

atCom Enterprise Portal Management (“EPM”) is a system that helps companies to establish a global web presence easily and cost-effectively.

atCom e-Commerce integrates with EPM to provide visitors to the company’s enterprise portal instant B2C and B2B transactions capabilities.

2.3.2 ERM Development Tool

atCom Studio is a rapid web-based ERM development tool that works with Microsoft Visual Studio.Net. It comprises reusable atCom Business Software Components and other general software components. atCom Studio helps developers to customize atCom ERM and develop other software applications quickly by providing pre-built, reusable software components.

2.3.3 Other Software Packages

atCom Hospitality Suite is a hotel management suite designed to integrate the entire operations of a hotel or hospitality-based business. It consists of integrated applications such as Front Office Management System, Point-of-Sales System, Call Accounting Management Systems and Financial Management System.

atCom ProAcc Project Accounting System is designed to help construction companies to set up budgets and tracks actual expenses and the variances for each project, while at the same time, managing the project accounting details and asset tracking by projects.

atCom iTrack is a web-based system that allows events such as customer complaints, service requests and software defects to be recorded, tracked and resolved.

2.3.4 Other Software Packages by Fujitsu

PRONES is a flexible and extendable production information system developed by Fujitsu, which enables producers to produce and supply goods as and when needed.

2. PROSPECTUS SUMMARY

2.3.5 Upcoming Development

Moving forward, the Group strives to continuously allocate its resources to enhance and expand its existing atCom ERM in order to cater for the changing needs of the industries which it serves.

In addition, the Group plans to add a customer relations management system, called atCom CRM, to its atCom ERM, in order to be in line with the market trend and to fulfil the industries' demand. The atCom CRM is a system that manages customers' relationship by allowing users to better understand and fulfil customers' needs.

2.4 Services

As most organisations have unique business processes and controls, **Software Customization** services will be offered to clients to cater for their individual business needs. Software customization services will be offered to customers using atCom Studio and other popular tools such as C#, C++, XML, Java and Visual Basic languages. To achieve higher software development productivity, atCom Studio will be used for product development and customization where possible.

The Company will also offer **System Integration** services to its clients for the design, installation and maintenance of the server infrastructure to host IAB applications and other applications so that clients can access these applications on a server over the Intranet or Extranet via a secured IP VPN. The service can also involve integrating third party software and hardware to create a total, integrated solution for the client.

As part of a total package for its clients, the Group also conducts product training sessions for its clients so that clients can effectively use the Company's products to its fullest potential. Depending on client's requirements, training is normally conducted at the Group's premises or at the client's office.

After-sales services provided by the Company includes maintenance and support of its products. The maintenance of the Group's products include minor product enhancements or upgrades, statutory changes and bug fixes while support services provide continued training and guidance on the use of its products.

The Group will, as part of its design and installation of total business solution package, provide hardware, network and system software consultancy services where necessary for its clients.

The Group plans to allocate resources to provide software customization and system integration services. Besides providing maintenance services, the Group is expected to provide help-desk services on a 24-hour basis for certain contracted clients. The Group believes that service response time plays a major role in an organization's selection of software products and customer satisfaction.

Further details regarding the Company's software products and services are disclosed in **Section 6.8 and 6.9** of this Prospectus.

2.5 Marketing and Distribution Channels

The marketing, distribution and support functions of the Group are carried out from the Bandar Sunway office. The Group's reach of the Asian market is accomplished through its strategic network comprising of the Infortech Alliance Group of Companies, partners, distributors and resellers that are located across the Asian region.

2. PROSPECTUS SUMMARY

The Group has established a market presence in China, Japan and India through the Infotech Alliance Group of Companies. The Group is currently working with its partner, FAPL to distribute its atCom range of human resource software through the various Fujitsu subsidiaries to the OJC market in Asean countries. The Company has also established distributors in Singapore and Indonesia for the non-OJC markets in their respective countries. For the local marketing and distribution of its products, the Group has a direct sales force and a network of resellers in major towns in Malaysia.

In addition to the above, the Group is also in the process of finalising the details to its VAP program to systematically recruit, train and reward the Company's sales partners in various countries in the region.

Further details regarding the Company's marketing and distribution channels are disclosed in Section 6.10 of this Prospectus.

2.6 Technology, Intellectual Property and Licenses

IAB 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.

IAB's intellectual property includes the following:

(a) All copyrights, and in connection therewith, including the copyright to software entitled:

1. atCom ERM, which includes:
 - a. atCom Financials
 - b. atCom Human Resource Management:
 - i. atCom Payroll Plus
 - ii. atCom Time Manager
 - iii. Various other Human Resource modules
 - c. atCom SCM
 - d. atCom Enterprise Portal Management
 - e. atCom e-Commerce
2. atCom Studio
3. atCom Hospitality Suite which includes:
 - a. atCom Front Office Management
 - b. atCom Point-of-Sale
 - c. atCom Call Accounting Management
 - d. WinAcc™ Business Accounting
4. atCom Hotel ASP
5. atCom ProAcc Project Accounting
6. atCom iTrack

and the copyright to the content of the website www.infotechalliance.com and www.atcom.com.my.

(b) Trademarks, service marks, logos, trade names and corporate names;

(c) An Internet domain name registration for www.infotechalliance.com and www.atcom.com.my;

(d) Marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques, methods of obtaining business, forecasts and forecast assumptions and volumes, future plans and potential business strategies; and

2. PROSPECTUS SUMMARY

- (e) Trade secrets and other confidential business information which are used in the Group's business and which gives the Group 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.

The Group has routinely taken such steps as are customary in its industry to protect its rights to its trademarks and intellectual property, including the filing of trademark applications as described in part (b) above, display of copyrights claims in its software and documentation, proper documentation of software design and development work to prove intellectual property rights and the execution of development agreements, end user license agreements, VAR and VAP agreements, confidentiality agreements, non-disclosure agreements and others.

Further details regarding the Company's technology, intellectual property and licenses are disclosed in **Section 6.19** of this Prospectus.

2.7 R&D Capabilities

Most of the R&D work for new software products and customised software is done at the Company's office located at Cyberjaya. Leading-edge technologies such as Microsoft Corporation's Visual Studio.NET have been in use by the Company since its beta version was launched.

As a further testament to IAB's R&D capabilities, the Company was awarded an MGS grant amounting to approximately RM3.1 million to develop a web application rapid development tool, atCom Studio and atCom ERM, which are currently being marketed in various countries across Asia.

At present, IAB is directing its R&D efforts into the following areas:-

1. To enhance atCom HRM and other existing software on atCom Studio for inclusion into the atCom ERM;
2. To enhance the existing iTrack module into a CRM with improved features and integration within the atCom ERM; and
3. To continue to incorporate enhancements to all the Company's other products.

Further details regarding the Company's R&D capabilities are disclosed in **Section 6.11** of this Prospectus.

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2. PROSPECTUS SUMMARY

2.8 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 and on the assumption that the Group had been in existence since 1 January 1998:-

	<-----FYE 31 December ^----->				
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
Turnover	3,356	2,956	3,863	4,408	5,142
Profit before interest, depreciation, taxation and amortisation	176	429	553	434	1,337
Interest expense	(37)	(16)	(34)	(63)	(43)
Depreciation	(141)	(120)	(156)	(124)	(40)
Amortisation of development cost	-	-	-	-	(19)
Profit/(loss) before tax	(2)	293	363	247	1,235
Taxation	8	-	-	(12)	(3)
Profit after tax	6	293	363	235	1,232
Exceptional items	-	-	-	-	-
Profit after tax and exceptional items	6	293	363	235	1,232
No. of Shares (based on enlarged share capital before Public Issue) ('000)	45,000	45,000	45,000	45,000	45,000
Net EPS (sen) #	0.01	0.65	0.81	0.52	2.74

Notes:-

The net EPS has been calculated based on the profit after tax and exceptional items and the number of Shares in the enlarged share capital of the Company before the Public Issue.

^ The financial year ends for all the companies within the Group is 31 December, with the exception of IA IPL, whose year end is 31 March. For the purposes of the above proforma financial figures, IA IPL's results have been time-apportioned to ensure that it is co-terminous with that of the other companies within the Group.

There were no exceptional or extraordinary items in the relevant financial periods under review.

There were no items relating to the share of profits and losses of associated corporations and joint ventures and minority interest in the relevant financial periods under review.

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

No profit forecast or projections has been included in this Prospectus as the Group's revenue and operating results are difficult to forecast. Kindly refer to Section 5.2 for further discussion.

A more detailed discussion of the Company's financial information is disclosed in Section 5.1 of this Prospectus.

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2. PROSPECTUS SUMMARY

2.9 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets set out below are provided for illustrative purposes only to show the effects on the consolidated balance sheet of IAB as at 31 December 2002 on the assumption that the Public Issue was effected on that date:-

	IAB Group As At 31 December 2002 RM '000	IAB Group (Before Public Issue) RM '000	IAB Group (After Public Issue) RM '000
Plant and equipment	742	742	742
Other investments	51	51	51
Development costs	2,140	2,140	2,140
	<u>2,933</u>	<u>2,933</u>	<u>2,933</u>
Total current assets	3,317	3,317	7,667
Total current liabilities	1,095	1,095	1,095
Net current assets	<u>2,222</u>	<u>2,222</u>	<u>6,572</u>
	<u>5,155</u>	<u>5,155</u>	<u>9,505</u>
Financed by:-			
Share capital	2,383	4,500	6,000
Share premium	959	-	2,850
Foreign exchange reserve	1	1	1
Negative goodwill	568	568	568
Retained profits	1,235	77	77
Shareholders' equity	<u>5,146</u>	<u>5,146</u>	<u>9,496</u>
Hire purchase payables	1	1	1
Deferred taxation	8	8	8
	<u>5,155</u>	<u>5,155</u>	<u>9,505</u>
Number of ordinary shares in issue ('000)	2,342	45,000	60,000
NTA per share (RM)	1.28	0.07	0.12

A more detailed discussion of the Company's financial information is disclosed in Section 5.3 of this Prospectus.

2. PROSPECTUS SUMMARY

2.10 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 Company and its subsidiary companies and this offering. In addition, the discussion in this Prospectus contains forward-looking statements that involve risks and uncertainties, which are only predictions and that the Company and the Group's actual results or events when materialised could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the "Risk Factors" section, but also include those discussed throughout this Prospectus.

The key risk factors that may affect the Group's future profitability are as follows:-

- i. Operating risks
- ii. Competition
- iii. Brand awareness
- iv. Rapid technological / product change in the ICT market
- v. Product risks
- vi. Foreign operations
- vii. Dependence on directors and key personnel
- viii. Reliance on major relationships
- ix. Protection of group and third party proprietary technology/intellectual property rights
- x. Future capital injections
- xi. No prior market for IAB shares and possible volatility of share price
- xii. Continued control by existing shareholders
- xiii. Foreign exchange risks
- xiv. Underwriting risks
- xv. Litigation risks
- xvi. Regulatory risks
- xvii. Change in MSC status
- xviii. Uncertainty of proposed 5-year business development plan
- xix. Disclosure regarding forward-looking statements
- xx. Impact of Severe Acute Respiratory Syndrome ("SARS")
- xxi. Reliance on economic, political and social stability
- xxii. Security risks and service disruption

Details of the aforementioned risks are provided in Section 4 of this Prospectus.

2.11 Prospects and Outlook

Despite the risks associated with the Group as summarised above, the prospects and business of the Group are encouraging due to various factors which are highlighted below.

The Group's products, which are based on IAB's proprietary software engine, atCom Studio, is an easily customisable enterprise application designed for the web and targeted at Asian MNCs. The software is a culmination of more than ten (10) years of experience in designing, developing and deploying enterprise software for various MNCs and SMEs. It is based on the latest Microsoft.NET, XML and Web Services technology.

Using atCom ERM, the Group also intends to adopt the ASP model for its enterprise applications, along with its existing web-based enterprise applications. The introduction of the ASP model in the future will allow the Group to capture a different market niche, especially the SMEs which might view the ASP model as a cheaper alternative to the enterprise application that are required to be installed at the client's premises. This may provide an additional source of revenue for the Group.

2. PROSPECTUS SUMMARY

With their experience in marketing and support across Asia, the Group is determined to exploit the market of web-based enterprise application for medium-sized Asian MNCs in the region.

Apart from Malaysia and Singapore, China is targeted as the Group's overseas market due to its huge foreign direct investments by OJC who have decided to take advantage of the abundance of resources, cheap labour and huge market in China.

In addition, the Group, with over ten (10) years of experience in the marketing, distribution and support of enterprise solution in Asia, is expected to build upon its existing strategic network comprising the Infotech Alliance Group of Companies, subsidiaries, partners, distributors and resellers that are located across the region to market its products through the launch of its VAP programs.

With its product and services line-up and marketing network, as well as its software development policy to continually use R&D to enhance its products further, the Group should be able to maintain if not enhance its position and capitalize on growth opportunities in the ICT market.

A more detailed discussion of the Company's prospects and outlook is disclosed in Section 8.2 of this Prospectus.

2.12 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

<i>Authorised share capital:</i> 100,000,000 ordinary shares of RM0.10 each	RM 10,000,000
<i>Issued and fully paid-up share capital:</i> 45,000,000 ordinary shares of RM0.10 each	4,500,000
<i>To be issued pursuant to the Public Issue:</i> 15,000,000 ordinary shares of RM0.10 each	1,500,000
<i>Enlarged share capital</i> 60,000,000 ordinary shares of RM0.10 each	6,000,000
<i>Issue Price per Ordinary Share of RM0.10 each</i>	RM0.37
<i>Market capitalization based on Issue Price of RM0.37 per ordinary share of RM0.10 each</i>	22,200,000

The Public Issue shall be by way of private placement for institutional and individual investors, both domestic and foreign, and public offering for members of the Malaysian public and eligible directors and employees of the Group. The details on the Public Issue are disclosed in Section 3 of this Prospectus.

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 allotment of the Issue Shares.

2. PROSPECTUS SUMMARY***Proforma NAV based on the Proforma Consolidated Balance Sheets as at 31 December 2002:-***

Proforma NAV upon listing (RM'000)	9,496
Proforma NAV per Share upon listing (sen)	15.8

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

Proforma NTA upon listing (RM'000)	7,356
Proforma NTA per share upon listing (sen)	12.3

2.13 Proceeds of Issue and Proposed Utilisation

Based on an Issue Price of RM0.37 per Share, the Company expects the gross proceeds of the Public Issue of approximately RM5.55 million to accrue to the Company. The details on the expected utilisation is disclosed under **Section 3.7 "Utilisation of Proceeds"** of this Prospectus.

2.14 Material Litigation, Commitments and Contingent Liabilities

Save as disclosed below, as at 16 June 2003, being the last practicable date prior to the printing of this Prospectus, there does not exist any material litigation, capital commitment or contingent liability which may materially affect the Group. Further details are disclosed in **Sections 5.7 and 13.9** of this Prospectus.

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