

Recommendation: **NOT RANKED**

Stock Code: 0023

Bloomberg: IFCA MK

Price: MYR0.18

12-Month Target Price: NA

Date: October 22, 2007

Board: Mesdaq

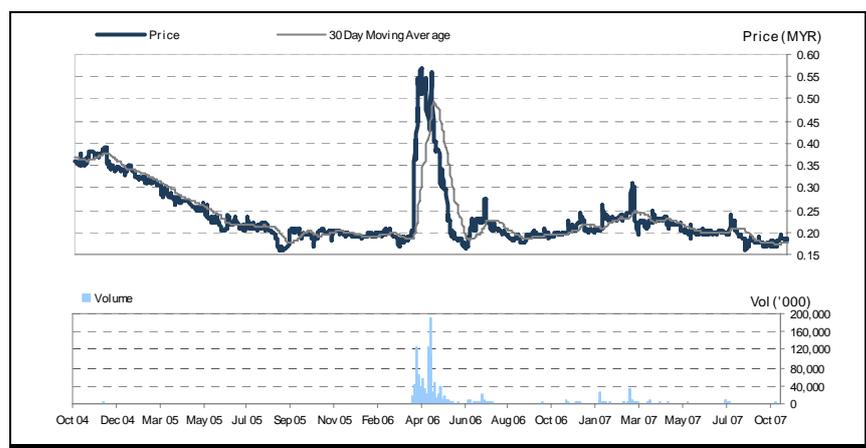
Sector: Technology

GICS: Information Technology/Application Software

Market Value - Total: MYR51.6 mln

Summary: Listed in Jul. 2003, IFCA provides software solutions and related IT support services to clients in the property development and management, construction, hospitality and finance industries in Malaysia and other overseas markets.

Analyst: Joy Lee, CFA



Recent Developments

Recommendation & Investment Risks

- Pending the renewal of the CBRS research scheme, and confirmation that IFCA will be participating in the new scheme, we suspend coverage of the stock until further notice. Our last recommendation was Hold. Our last 12-month target price was MYR0.20.
- As developments in IFCA may impact the company's fundamental outlook and valuation during the suspension of coverage, please note that current earnings forecasts may become stale and should not be seen to be representative of our view.

Key Stock Statistics

FY Dec.	2006	2007E
Reported EPS (sen)	0.0	-1.5
PER (x)	625.9	NM
Dividend/Share (sen)	0.0	0.0
NTA/Share (MYR)	0.11	0.11
Book Value/Share (MYR)	0.16	0.14
No. of Outstanding Shares (mln)	286.7	
52-week Share Price Range (MYR)	0.16 - 0.31	
Major Shareholders:	%	
IFCA Software (Asia) Sdn Bhd	46.1	
Ong Lee Veng @ Ong Chuan Heng	3.0	

Per Share Data

FY Dec.	2004	2005	2006	2007E
Book Value (MYR)	0.17	0.16	0.16	0.14
Cash Flow (sen)	3.9	2.4	1.4	1.2
Reported Earnings (sen)	2.9	1.2	0.0	-1.5
Dividend (sen)	1.5	0.5	0.0	0.0
Payout Ratio (%)	52.6	43.3	0.0	0.0
PER (x)	6.3	15.6	625.9	NM
P/Cash Flow (x)	4.6	7.4	12.6	14.4
P/Book Value (x)	1.1	1.1	1.2	1.3
Dividend Yield (%)	8.3	2.8	0.0	0.0
ROE (%)	17.8	7.0	0.2	-1.0
Net Gearing (%)	0.0	0.0	0.0	0.0

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Profit & Loss

FY Dec. / MYR mln	2005	2006	2007E	2008E
Reported Revenue	26.9	26.2	28.9	30.1
Reported Operating Profit	3.6	0.3	-3.6	1.7
Depreciation & Amortization	-3.6	-4.0	-4.0	-4.0
Net Interest Income / (Expense)	-0.1	-0.1	-0.1	-0.1
Reported Pre-tax Profit	3.9	0.5	-4.0	1.7
Effective Tax Rate (%)	19.6	85.6	NM	15.0
Reported Net Profit	3.2	0.1	-4.2	1.5
Reported Operating Margin (%)	13.4	1.1	-12.4	5.5
Reported Pre-tax Margin (%)	14.6	2.0	-13.8	5.8
Reported Net Margin (%)	12.1	0.3	-14.5	4.9

Source: Company data, S&P Equity Research

Standard & Poor's Equity Research Services

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Glossary

Strong Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months, with shares rising in price on an absolute basis.

Hold: Total return is expected to closely approximate the total return of the KLCI or KL Emas Index respectively, over the coming 12 months with shares generally rising in price on an absolute basis.

Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months and share price is not anticipated to show a gain.

Strong Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months by a wide margin, with shares falling in price on an absolute basis.

S&P 12 Month Target Price – The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

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For residents of Malaysia. All queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng or Ching Wah Tam.

Recommendation and Target Price History

Date	Recommendation	Target Price
New	Not Ranked	
9-Mar-07	Hold	0.23
19-Dec-06	Hold	0.21
4-Dec-06	Sell	0.20
7-Sep-06	Sell	0.16
17-Aug-06	Sell	0.18
31-May-06	Sell	0.17
2-Mar-06	Hold	0.18
2-Dec-05	Hold	0.21
14-Sep-05	Hold	0.18

