

This Prospectus has been seen and approved by the Directors and Promoters of SMR Technologies Berhad ("SMRT") and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, 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.

Affin Merchant Bank Berhad, being the Adviser, Sponsor and Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue.

The Securities Commission ("SC") has approved the Public Issue and the approval shall not be taken to indicate that the SC recommends the Public Issue.

The SC shall not be liable for any non-disclosure on the part of SMRT and its subsidiary ("SMRT Group") and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, THE INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

Bursa Malaysia Securities Berhad ("Bursa Securities") shall not be liable for any non-disclosure on the part of SMRT Group and takes no responsibility for the contents of this Prospectus, 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 of the MESDAQ Market of Bursa Securities is not to be taken as an indication of the merits of the Public Issue, SMRT Group or of its securities.

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 responsibility for its contents.

#### Characteristics of the MESDAQ Market of Bursa Securities:-

Investors should be aware that the MESDAQ Market of Bursa Securities is a distinct market from the Main and Second Boards of Bursa Securities in many respects. In particular, companies listed on the MESDAQ Market of Bursa Securities 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 the MESDAQ Market of Bursa Securities 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 the MESDAQ Market of Bursa Securities may be of higher investment risk. The regulatory philosophy underlying the MESDAQ Market of Bursa Securities 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, this Prospectus, latest financial statements and corporate announcements. In this respect, advice from a securities professional/adviser is strongly recommended.

Securities listed on Bursa Securities 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.

**This Prospectus can also be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).**

**TENTATIVE TIMETABLE**

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

<b>EVENT</b>	<b>TENTATIVE TIMETABLE</b>
Opening of application	22 February 2006
Closing of application	1 March 2006
Tentative balloting date	3 March 2006
Tentative date of despatch of notices of allotment to successful applicants	10 March 2006
Tentative listing date	13 March 2006

*Note:-*

*This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The application for the Public Issue will close at the date as stated above or such later date as the Directors of SMRT together with the Underwriter may in their absolute discretion mutually decide.*

*In the event that the Directors of SMRT and the Underwriter decide to extend the closing date of the Application, the dates for the balloting, despatch of notices of allotment and listing of and quotation for the entire issued and paid-up share capital of SMRT on the MESDAQ Market of Bursa Securities would be extended accordingly. As such, this tentative timetable is subject to changes and SMRT will notify the public via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in Malaysia.*

*Late applications will not be accepted.*

**DEFINITIONS**

Except where the context requires otherwise, words and expressions below shall apply throughout this Prospectus-

“Acquisition of SMRHRT”	:	Acquisition by SMRT of 10,005 ordinary shares of RM1.00 each in SMRHRT representing the entire equity interest in SMRHRT from the Vendors of SMRHRT for a purchase consideration of RM10,000,000 satisfied by the issuance of 6,944,444 new ordinary shares of RM1.44 each in SMRT
“Act”	:	Companies Act 1965, of Malaysia, as amended from time to time and any re-enactment thereof
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“Affin Merchant” or “Sponsor” or “Underwriter”	:	Affin Merchant Bank Berhad (9999-V)
“Application Form”	:	Application for the Public Issue Shares by way of a printed application form
“Application(s)”	:	Application(s) for the Public Issue Shares by way of Application Form or by way of Electronic Share Application
“ASEAN”	:	Association of Southeast Asian Nations comprising Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia
“ATM”	:	Automated Teller Machine
“Avenue Securities”	:	Avenue Securities Sdn Bhd (682-X)
“Board” or “Board of Directors”	:	Directors of the Company as at the date of this Prospectus
“Bonus Issue”	:	Bonus issue of 55,554 Bonus Shares to the existing shareholders of SMRT on the basis of approximately eight (8) Bonus Shares for every one thousand (1,000) existing ordinary shares of RM1.00 each in SMRT
“Bonus Shares”	:	The 55,554 new ordinary shares of RM1.00 each in SMRT issued pursuant to the Bonus Issue
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities” or “Exchange”	:	Bursa Malaysia Securities Berhad (635998-W)
“CDS”	:	Central Depository System
“Deed of Assignment”	:	Deed of Absolute Assignment of IP rights dated 30 December 2003 entered into between SMR and SMRHRT in connection with the transfer and assignment of HRDPower™ software system from SMR to SMRHRT for a purchase consideration of RM900,000 satisfied by cash
“Dr. Palan”	:	Dr. Palaniappan a/l Ramanathan Chettiar
“EBITDA”	:	Earnings before interest, depreciation, taxation and amortisation
“Electronic Share Application”	:	Application for the Public Issue Shares through a Participating Financial Institution’s ATM

**DEFINITIONS (Cont'd)**

“EPS”	:	Earnings per share
“GDP”	:	Gross Domestic Products
“GPRS”	:	General packet radio service
“HR”	:	Human resource(s)
“HRD”	:	Human resource development
“HRDPower™”	:	HR development, competency and performance software and related products
“HRM”	:	Human resource management
“ICT”	:	Information and communication technology
“IDC”	:	IDC Market Research (M) Sdn Bhd (392772-T)
“IDC Report”	:	Independent Market Research Report prepared by IDC dated 13 September 2004
“Issue Price” or “Public Issue Price”	:	Issue price of RM0.33 per Public Issue Share
“IT”	:	Information technology
“IP”	:	Intellectual property
“ISO”	:	International Standards Organisation
“Kamatchi”	:	Kamatchi @ Valliammai a/p Malayandi
“KPI”	:	Key performance indicators
“Latest Practicable Date”	:	31 December 2005, being the latest practicable date prior to the registration of this Prospectus with the SC
“Listing”	:	The admission and the listing of and quotation for the entire enlarged issued and paid-up share capital of SMRT of RM10,000,000 comprising 100,000,000 ordinary shares of RM0.10 each on the Official List of the MESDAQ Market
“Listing Requirements”	:	Listing Requirements of Bursa Securities for the MESDAQ Market
“Market Day(s)”	:	Any day on which Bursa Securities is open for the trading of securities
“MDC”	:	Multimedia Development Corporation
“MESDAQ Market”	:	MESDAQ Market of Bursa Securities
“MIDF Sisma”	:	MIDF Sisma Securities Sdn Bhd (423833-U)
“MIH”	:	Malaysian Issuing House Sdn Bhd (258345-X)
“MITI”	:	Ministry of International Trade and Industry
“MSC”	:	Multimedia Super Corridor
“NTA”	:	Net tangible assets
“Participating Financial institutions”	:	Refers to the participating financial institutions for Electronic Share Applications as set out in Section 18.7(xv) of this Prospectus

**DEFINITIONS (Cont'd)**

“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“PE multiple”	:	Price earnings multiple
“Placement Agent(s)”	:	Public Merchant and MIDF, collectively
“Promoters”	:	Promoters of the Group, namely Special Flagship and Dr. Palan
“Public Issue Shares”	:	30,000,000 new SMRT Shares to be issued at the Public Issue Price pursuant to the Public Issue
“Public Issue”	:	Public issue of 30,000,000 new SMRT Shares at the Issue Price, to the eligible Directors and employees of the SMRT Group and the public, subject to the terms and conditions of this Prospectus
“Public Merchant”	:	Public Merchant Bank Berhad (14328-V)
“R&D”	:	Research and development
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“ROC”	:	Registrar of Companies
“ROI”	:	Return on investment
“SC”	:	Securities Commission
“Share Split”	:	Subdivision of the par value of SMRT ordinary shares of RM1.00 each to RM0.10 each
“SMR”	:	Specialist Management Resources Sdn Bhd (177552-M) of which Dr. Palan has a 35.98% direct shareholding and a 55.64% indirect shareholding (by virtue of the shareholdings of his family members in SMR)
“SMRHRT”	:	SMR HR Technologies Sdn Bhd (537793-T)
“SMRT” or “Company”	:	SMR Technologies Berhad (659523-T)
“SMRT Group” or “Group”	:	SMRT and its subsidiary
“SMRT Shares” or “Shares”	:	Ordinary shares of RM0.10 each in SMRT
“SMS”	:	Short messaging service
“Special Flagship”	:	Special Flagship Holdings Sdn Bhd (654967-T)
“UAE”	:	United Arab Emirates
“UK”	:	United Kingdom
“USA”	:	United States of America
“Vendors of SMRHRT”	:	The vendors pursuant to the Acquisition of SMRHRT, namely Special Flagship, Dr. Palan and Kamatchi

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**1. CORPORATE DIRECTORY**


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**BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Dr. Palaniappan a/l Ramanathan Chettiar	132 Jalan Limau Manis Bangsar Park 59000 Kuala Lumpur	Managing Director	Malaysian
Kamatchi @ Valliammai a/p Malayandi	132 Jalan Limau Manis Bangsar Park 59000 Kuala Lumpur	Executive Director	Malaysian
Dr. Nadarajah a/l Manickam	A-13-13, Royal Palm Court Jalan Berhala 50470 Kuala Lumpur	Executive Director	Malaysian
Ajay Kumar Arya	107 Alder CT Rolling Meadows Illinois 6008, USA	Executive Director	American
Haji Ishak Bin Hashim	No. 2, Jalan Cemande 11/3D 40000 Shah Alam Selangor Darul Ehsan	Independent Non-Executive Director	Malaysian
Leow Nan Chye	0691, Jalan J7 Fasa 6 Taman Melawati 53100 Kuala Lumpur	Independent Non-Executive Director	Malaysian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Leow Nan Chye	Chairman	Independent Non-Executive Director
Haji Ishak Bin Hashim	Committee Member	Independent Non-Executive Director
Kamatchi @ Valliammai a/p Malayandi	Committee Member	Executive Director

**AUDITORS AND REPORTING  
ACCOUNTANTS**

: Monteiro & Heng (AF: 0117)  
Chartered Accountants  
22-1, Monteiro & Heng Chambers  
Jalan Tun Sambanthan 3  
50470 Kuala Lumpur

Telephone No. : 03 – 2274 8988  
Fax No. : 03 – 2260 1708



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

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- COMPANY SECRETARY** : Chin Kim Fung (LS : 00234)  
Inforsarch Management Services  
149-A Jalan Aminuddin Baki  
Taman Tun Dr Ismail  
60000 Kuala Lumpur
- Telephone No. : 03 – 7729 1519  
Fax No. : 03 – 7728 5948
- REGISTERED OFFICE** : 149-A Jalan Aminuddin Baki  
Taman Tun Dr Ismail  
60000 Kuala Lumpur
- Telephone No. : 03 – 7729 1519  
Fax No. : 03 – 7728 5948
- MANAGEMENT OFFICE** : 14-4 Jalan Bangsar Utama 1  
Bangsar Utama  
59000 Kuala Lumpur
- Telephone No. : 03 – 2282 8313  
Fax No. : 03 – 2282 9313  
Website : [www.smrhub.com](http://www.smrhub.com)
- RESEARCH AND DEVELOPMENT CENTRE** : Unit No. S03A 2<sup>nd</sup> Floor Block 2300  
Century Square 1, Jalan Usahawan  
63000 Cyberjaya,  
Selangor
- Telephone No. : 03 – 8318 3313  
Fax No. : 03 – 2282 9313
- PRINCIPAL BANKERS** : Malayan Banking Berhad  
20, Jalan Bangsar Utama 1  
Bangsar Utama  
59000 Kuala Lumpur
- Telephone No. : 03 – 2283 1020  
Fax No. : 03 – 2282 2253
- Bumiputra-Commerce Bank Berhad  
G-C Ground Floor Block 2330  
Century Square  
Jalan Usahawan  
63000 Cyberjaya  
Selangor
- Telephone No. : 03 – 8318 9905  
Fax No. : 03 – 8318 3421

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

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- SOLICITORS FOR  
THE LEGAL DUE DILIGENCE** : Messrs Kadir Andri & Partners  
8<sup>th</sup> Floor, Menara Safuan  
80 Jalan Ampang  
50450 Kuala Lumpur
- Telephone No. : 03 – 2078 2888  
Fax No. : 03 – 2078 8431
- SHARE REGISTRAR** : Insurban Corporate Services Sdn Bhd (76260-W)  
149 Jalan Aminuddin Baki  
Taman Tun Dr Ismail  
60000 Kuala Lumpur
- Telephone No. : 03-7729 5529  
Fax No. : 03-7728 5948
- INDEPENDENT MARKET RESEARCH  
CONSULTANT** : IDC Market Research (M) Sdn Bhd (392772-T)  
Suite 13-03, Level 13 Menara HLA  
3 Jalan Kia Peng  
50450 Kuala Lumpur
- Telephone No. : 03-2163 3715  
Fax No. : 03-2163 5098  
Website : [www.idc.com.my](http://www.idc.com.my)
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27<sup>th</sup> Floor, Menara Multi-Purpose,  
Capital Square,  
No.8, Jalan Munshi Abdullah,  
50100 Kuala Lumpur
- Telephone No. : 03-2693 2075  
Fax No. : 03-2693 0858
- VALUER** : Messrs Moore Stephens (AF: 0282)  
8A Jalan Sri Semantan Satu  
Damansara Heights  
50490 Kuala Lumpur
- Telephone No. : 03-2094 1888  
Fax No. : 03-2094 7673
- ADVISER, SPONSOR AND  
UNDERWRITER** : Affin Merchant Bank Berhad (9999-V)  
27<sup>th</sup> Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur
- Telephone No. : 03-2142 3700  
Fax No. : 03-2141 7701

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

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**PLACEMENT AGENTS**

: Public Merchant Bank Berhad (14328-V)  
25<sup>th</sup> Floor, Menara Public Bank  
146 Jalan Ampang  
50450 Kuala Lumpur

Telephone No. : 03-2166 9382  
Fax No. : 03-2166 9362

MIDF Sisma Securities Sdn Bhd (423833-U)  
17<sup>th</sup> & 18<sup>th</sup> Floor, Empire Tower  
182 Jalan Tun Razak  
50400 Kuala Lumpur

Telephone No. : 03-2166 8888  
Fax No. : 03-2166 9999

**LISTING SOUGHT**

: MESDAQ Market of Bursa Securities