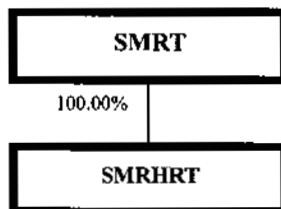## 5. INFORMATION ON THE GROUP

5.1 History and Background

SMRT was incorporated in Malaysia as a private limited company under the Act on 14 July 2004 under the name of SMR Technologies Sdn Bhd and was converted into a public limited company and adopted its present name on 11 September 2004. SMRT is principally an investment holding company and has a wholly owned subsidiary, namely SMRHRT.

The Group's current corporate structure is set out below:-

```
        ┌─────────────────┐
        │      SMRT       │
        └─────────────────┘
          100.00% │
        ┌─────────────────┐
        │     SMRHRT      │
        └─────────────────┘
```

A summary of the details of SMRT's subsidiary is as follows:-

Subsidiary	Date/place of incorporation	Issued and paid-up share capital RM	Effective equity interest	Principal activities
SMRHRT *(awarded the MSC status by MDC on 29 January 2001)*	26 January 2001 / Malaysia	100,000	100%	Involved in software development, specialising in human capital development and the provision of a comprehensive range of HRM competency systems and related services.

SMRT does not have any associated companies.

The SMRT Group is principally involved in software development, specialising in HR competency and performance management solutions, web based on-line learning facility and HR outsourcing services that operate on the HRDPower™ software system which was created by Dr. Palan. The SMRT Group thus provides a niche product for a niche market which is essentially concerned with workforce performance management as the Group is unlike other HR system solution providers who mainly focus on operational HR matters such as payroll and time keeping.

The HRDPower™ software system was originally conceived and developed in Australia in the years 1998-1999 by Dr. Palan due to the competency boom in Australia and further development was initiated in Australia because of the availability of ICT talent which was then not easily accessible in Malaysia. However, when the competency management market generated a boom in ASEAN, Dr. Palan relocated the R&D of HRDPower™ software system to Malaysia in 2001. With the formation of the MSC, SMRHRT was able to import the ICT talent and knowledge workers from overseas countries such as India to Malaysia. Furthermore, in line with the Government's call to develop more Malaysian products and local talent, Dr. Palan brought the technology back to Malaysia to complete the development of a world-class product that is truly Malaysian.

The HRDPower™ software system addresses organisational limitations arising from a lack of competency in the workforce of an organisation with a focus on enabling the users, specifically the employers or an organisation's HR division, to customise the HRDPower™ software system to suit their specific requirements thus allowing a high level of flexibility. ELearning is a complementary product to the HRDPower™ software system provided by the SMRT Group and offered as an additional module delivering training and education over the Internet to end-user devices.

5. INFORMATION ON THE GROUP (Cont'd)

The successful implementation of the HRDPower™ software system as proven from the existing list of clientele from various industries both locally and abroad in thirty one (31) countries reflects the technical viability of the HRDPower™ software system and business processes. The IP and trademarks are part of the HRDPower™ software system, which are owned by SMRHRT.

The HRDPower™ software system has been used successfully to extend its activities into the digital world and knowledge economy, using two key initiatives which primarily focus on HRD competency and performance management software and a web based on-line learning facility. The software enables the identification of each staff's competency level and gaps, which in turn would be able to identify the training needs based on competency requirements of any industry, sector, national or internationally based standards, which are now mandatory and a requirement in most industries and countries for example ISO 9000 and 14000. After the identification of training needs, the entire training process is managed using the software. The training content is provided through eLearning. Both these activities are interrelated.

The SMRT Group's clients include worldwide multinational companies from various industries particularly companies which have greater motivation to self-regulate themselves on HR and competency & performance management or is motivated by national regulation changes to improve their performance. The Group's high priority target industries include airlines, banking and finance, information technology, manufacturing, hospitality (hotel/hospital), shipyards, power generation and emergency services such as fire services.

The SMRT Group is currently operating from its head office in Kuala Lumpur while its R&D centre is based in Cyberjaya.

5.2 Share Capital and Changes in Issued and Paid-up Capital

As at the Latest Practicable Date, the authorised share capital of SMRT is RM25,000,000 comprising 250,000,000 ordinary shares of RM0.10 each and its issued and paid-up share capital is RM7,000,000 comprising 70,000,000 ordinary shares of RM0.10 each.

The changes in the issued and paid-up share capital of SMRT since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value RM	Consideration	Cumulative issued and paid-up capital RM
14 July 2004	2	1.00	Subscribers' shares	2
3 September 2004	6,944,444	1.00	Issued pursuant to the Acquisition of SMRHRT	6,944,446
4 September 2004	55,554	1.00	Issued pursuant to the Bonus Issue	7,000,000
16 December 2004	70,000,000	0.10	Subdivided pursuant to the Share Split	7,000,000
Upon Listing	30,000,000	0.10	Issued pursuant to Public Issue	10,000,000

5. INFORMATION ON THE GROUP (Cont'd)

5.3 Listing Exercise

In conjunction with and as an integral part of the Listing, the Group implemented a listing scheme, which involved the following:-

(i)   Public Issue

To facilitate the Listing, SMRT will undertake a Public Issue of a total of 30,000,000 new SMRT Shares at a Public Issue Price of RM0.33 each as follows:-

(a)   Eligible Directors and employees of the SMRT Group

2,500,000 Public Issue Shares are reserved for eligible Directors and employees of the SMRT Group, and all have been allocated to four (4) Directors and twenty-five (25) employees of the SMRT Group based on their respective position and number of years of service with the Company as approved by the Board.

Details of the allocation to the four (4) Directors of SMRT are as follows:-

Name	Designation	No. of shares
Ajay Kumar Arya	Executive Director	200,000
Dr. Nadarajah a/l Manickam	Executive Director	200,000
Haji Ishak Bin Hashim	Independent Non-Executive Director	100,000
Leow Nan Chye	Independent Non-Executive Director	100,000
Total		600,000

(b)   Private Placement

25,000,000 Public Issue Shares will be made available by way of private placement to identified investors; and

(c)   Public

2,500,000 Public Issue Shares will be made available for application by the public.

(ii)   Listing and Quotation

A listing of and quotation for the entire enlarged issued and paid-up share capital of SMRT of RM10,000,000 comprising 100,000,000 SMRT Shares on the Official List of the MESDAQ Market will be sought.

5.   INFORMATION ON THE GROUP (Cont'd)

5.4   Past Exercises Prior to the Public Issue

To facilitate the Group's re-organisation and future business expansion, SMRT had undertaken the exercises as set out below:-

(i)   Acquisition of HRDPower ™ Software System

On 30 December 2003, SMRHRT entered into a Deed of Assignment. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into consideration the R&D costs of the HRDPower™ software system up to 30 December 2003 of RM1.78 million.

The acquisition of HRDPower™ software system was completed on 30 December 2003.

(ii)   Acquisition of SMRHRT

SMRT entered into a Sale of Shares Agreement on 27 August 2004 with the Vendors of SMRHRT for the acquisition of the entire issued and paid-up share capital of SMRHRT, comprising 10,005 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,000,000. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into account the valuation of SMRHRT by Messrs Moore Stephens ranging from RM18.35 million to RM28.08 million as enclosed in Section 15 of this Prospectus. The purchase consideration was satisfied by the issuance of 6,944,444 ordinary shares of RM1.00 each in SMRT at an issue price of RM1.44 each in the following manner:-

Name	No. of SMRHRT shares held	%	No. of new ordinary shares of RM1.00 each in SMRT issued
Special Flagship	6,003	60.00	4,166,666
Dr. Palan	4,001	39.99	2,777,084
Kamatchi	1	0.01	694
Total	10,005	100.00	6,944,444

The Acquisition of SMRHRT was completed on 3 September 2004.

(iii)   Bonus Issue

The Bonus Issue involved the issuance 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. The Bonus Issue was wholly capitalised from SMRT's share premium account.

The Bonus Issue was completed on 4 September 2004.

(v)   Share Split

The Share Split involved a change in the par value of SMRT's ordinary shares of RM1.00 each to RM0.10 each, by way of a sub-division of the par value for every existing ordinary share in SMRT.

Upon completion of the Share Split, the issued and paid-up share capital of SMRT changed from RM7,000,000 comprising 7,000,000 ordinary shares of RM1.00 each in SMRT to RM7,000,000 comprising 70,000,000 ordinary shares of RM0.10 each in SMRT.

The Share Split was completed on 16 December 2004.

5.   **INFORMATION ON THE GROUP (Cont'd)**

5.5   Subsidiary of SMRT

The details on the subsidiary of SMRT are as follows:-

SMRHRT

(i)   **History and Business**

SMRHRT was incorporated in Malaysia as a private limited company under the Act on 26 January 2001 and commenced its business activities on 26 January 2001. SMRHRT is principally involved in software development, specialising in human capital development and the provision of a comprehensive range of HRM competency systems and related services. SMRHRT was awarded the MSC status by MDC on 29 January 2001 and presently enjoys tax-free incentives on income derived from MSC related activities for up to ten (10) years or an investment tax allowance for up to five (5) years and no duties on the importation of multimedia equipment commencing 29 January 2001.

(ii)   **Share Capital and Changes in Issued and Paid-up Capital**

The authorised share capital of SMRHRT is RM100,000 comprising 100,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of SMRHRT since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value RM	Consideration	Cumulative issued and paid-up capital RM
26 January 2001	5	1.00	Cash	5
11 November 2003	10,000	1.00	Cash	10,005
26 November 2004	89,995	1.00	Cash	100,000

(iii)   **Substantial Shareholder**

SMRHRT is a wholly owned subsidiary of SMRT.

(iv)   **Subsidiary and Associated Company**

As at the Latest Practicable Date, SMRHRT does not have any subsidiary or associated company.

5. INFORMATION ON THE GROUP (Cont'd)

5.6 Business Overview

The SMRT Group is principally involved in software development, specialising in human capital development and the provision of a comprehensive range of HR competency and performance management systems and related services, as shown in the following diagram:-
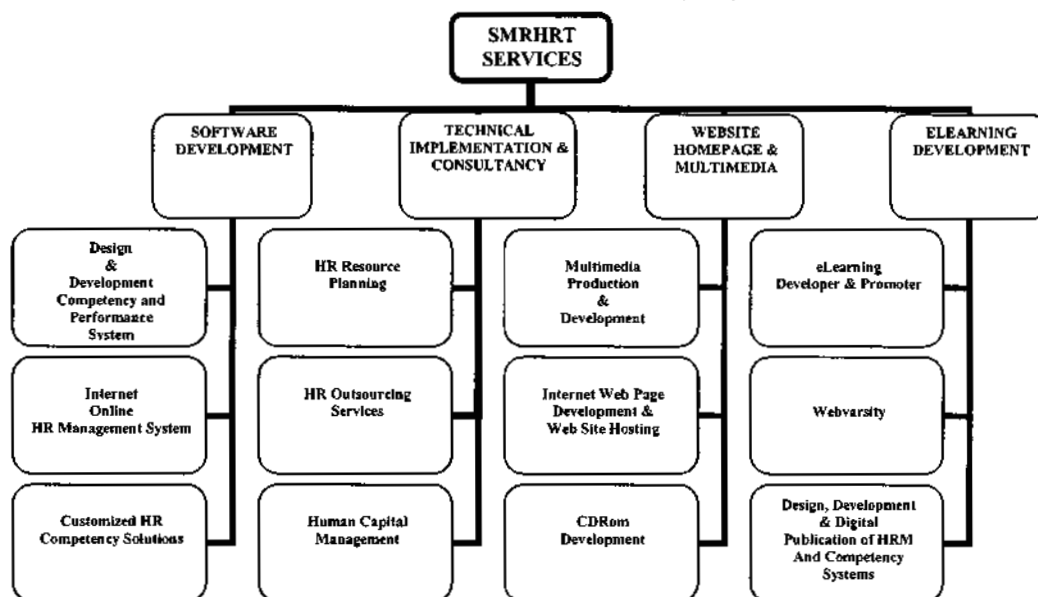
Unlike other software houses which develop software that address HRM issues such as payroll and time keeping, the SMRT Group instead focuses on HRD and competency and performance, thus, the specialised nature of the HRDPower™ software system complements rather than competes with the other HRM products reaching therefore a niche and selected market.

The HRDPower™ software system powers competency development and performance management by providing the analytics required for achieving superior performance. It is based on current technologies such as VB6 (Visual Basic Version 6), VB.net and ASP.net; high-level security features and multi-lingual capabilities by optimising the code rather than rewriting the code. The product can interface with any database (Oracle, SQL server, DBII, mySQL) and with any device such as desktop and mobile devices. It is also developed to enable rapid implementation and deployment of HR within weeks rather than months or years. The HRDPower™ software system provides for value based HR by being enterprise driven rather than being transactional through the web-enable facilities.

The HRDPower™ software system provides employers with the ability to:-

(1) assess the competency of its employees in relation to their designated post in the organisation;

(2) identify any shortcomings from lack of employee competency;

(3) assess, identify and plan the relevant training required for every employee to address any competency shortfall;.

(4) manage the performance management process; and

(5) manage the succession plans and talent pipelines for continued competitiveness of the organisation.

In the current context where organisations are committed to achieving continually increasing levels of performance from their workforce, HRDPower™ software system provides reports for effective and efficient decision making processes for management in a seamless and instant manner.

5.   **INFORMATION ON THE GROUP (Cont'd)**

The primary function of the HRDPower™ software system is to provide employers with the ability to assess the competency of employees in relation to their designations within the organisation thus being able to anticipate shortcomings that may arise from competency gaps. Employers will then be able to plan the relevant and suitable training (training content is provided through eLearning) for its workforce to address any competency gaps that has been identified. The HRDPower™ software system will address the competency gaps of the workforce with a focus on enabling the users to customise it to suit their specific organisational requirements thus providing a high level of flexibility for the users. The HRDPower™ software system is able to provide management information for vital management decision-making just-in-time, as and when needed or almost immediately across the enterprise as follows:-

♦   Required competencies by position, team, department, and organisation.

♦   The different types of competencies required – core, occupational and behavioural.

♦   Assessment of competencies.

♦   Current competencies of employees, teams, departments and organisation.

♦   Competency gaps of individuals, teams, departments and organisation.

♦   Training needs.

♦   Benchmarking to the industry, sector, national or internationally based standards.

♦   Development actions are automated.

♦   Career management is facilitated though the HRDPower™ software system.

♦   Succession planning carried out for critical positions.

♦   Talent pipelines for organisational competitiveness.

♦   Performance management system / KPI are created and tracked across the enterprise.

♦   The HRDPower™ software system is also linked to the web based on-line learning management HRDPower™ software system to ensure just-in-time learning and the management of knowledge within the organisation.

♦   The management of the HRDPower™ software system over the web provides real time information whenever required and wherever required.

The customers of the Group have indicated that the HRDPower™ applications are more useful to their businesses as they generate competency measurement solutions to increase productivity and maximise management of resources.

The features of the HRDPower™ software system are as follows:-

(a)   **Competencies Management**

This is the heart of the HRDPower™ software system, where competencies can be recorded and tracked through the training process of Competencies Audit, Training Needs Analysis, Training Delivery and Training Evaluation. HRDPower™ software system employs a user-selectable tiered structure for recording competencies. This provides the flexibility for organisations to determine the structure that suits their needs. In addition, the user has the option of using a numeric Performance Level system for further classifying their competencies.

5.   INFORMATION ON THE GROUP (Cont'd)

(b)   Position Profiles

Position Profiles provide the basis for competency identification and allocation. The inclusion of *Importance* ratings as well as Performance Levels provides for a very consistent way of determining job eligibility through the matching process - effectively giving a weighting factor to relevant competencies.

(c)   Competencies Audits

Competencies Audits are now facilitated by the provision of competency based assessment instruments, which are easily completed and returned to the HR department for processing into HRDPower^{TM} software system.

(d)   Personal Profiles

Personal Profiles provide the competency record for employees. If Levels are employed, these can be used to measure performance (*Current Performance Level*) against required standards (*Required Performance Level*) which is very effective in determining training needs. Additional relevant fields include *Status* and *Importance Priority* which, when combined with a Date Required field to track as to when a person becomes competent. This provides the basis for an informed training needs analysis. Planning training then becomes more meaningful.

(e)   Training Needs Analysis

The effective use of competencies and HRDPower^{TM} software makes performing a Training Needs Analysis less tedious.

(f)   Training Program Management

The HRDPower^{TM} software system provides a complete facility for the planning, administration and evaluation of Training Programs.

- *Planning* is facilitated by the use of Wait Lists and Training Recommendations.

- *Administration* is simplified by the user-friendly method of recording attendee and Training Program detail information.

- *Evaluation* will enable users to design questionnaires to suit each program and to make quantifiable assessments on the effectiveness of training.

(g)   Financial Management

HRDPower™ keeps track of all the HR related expenses - from the whole organisation down to specific user defined areas, groups or projects and individuals.

- *Budgets* - allows for setting budgets at any level.

- *Direct Training Program Costs* - allows for tracking of direct costs for participants attending Training Programs, either Total Training Program costs or Per Person costs.

- *Salary Costs* - automatically keeps track of the salary costs of Training Program attendees while they are away from the job.

- *General Expenditure Training Related* - allows for tracking of incidental costs associated with training, such as travel, meals, accommodation, venue hire, equipment hire. These costs can be allocated to Employees and Training Programs.

- *General Expenditure Non-Training Related* - allows for tracking of expenditure on training resources, maintenance services and non-specific items.

5.   INFORMATION ON THE GROUP (Cont'd)

♦   *Individual Costs* - maintains records of accumulated expenditure on training for individuals.

(h)   Questionnaires

Numerically rated questionnaires can be designed and the results analysed in the HRDPower™ software system. Questionnaires can be designed about other employees (360 degree feedback or performance reviews) and Training Programs (Evaluation questionnaires) and can be assigned to specific respondents. Questionnaire responses are analysed to give quantifiable results.

The SMRT Group has consistently provided a high quality service to its customers and this is evident by the hundred percent (100%) customer retention rate which has been achieved in the last three (3) years and also the annual maintenance contracts which have been renewed by all the SMRT Group's customers.

The SMRT Group has acquired a wide and diverse customer base in the Malaysian and global markets and it has established a solid base of clientele amongst the medium to large enterprises in Malaysia by providing them exceptional value through its software applications. The SMRT Group has pursued a strong service and product strategy to retain its current clientele while adding new clientele. The SMRT Group understands that advances in technology and global operations require outstanding services. Since its inception, it has relentlessly pursued in its effort in providing superior services to organisations globally. The SMRT Group has achieved one hundred percent (100%) of retention of annual maintenance contracts for the last three (3) years. The international help desk at Cyberjaya has facilitated the delivery of excellent service as the infrastructure is world-class thereby allowing the Group to deliver a world-class service. The long standing credibility of Dr. Palan in the field and the technical expertise of the design and development team have supported the SMRT Group's efforts in the market place to attract and retain customers. The successful implementation of the HRDPower™ software system as proven from the existing list of clientele from various industries both locally and abroad in thirty-one (31) countries reflects the technical viability of the HRDPower™ software system and business processes.

The two (2) major reasons for the success of the Group and its products and services in the overseas market are:-

(1)   Ease of use

The key feature of the HRDPower™ software system is the ability for the user to 'self-service' themselves. This is designed from the initial set-up to the administration and operation of the computerised employee competency assessments.

(2)   Marketing

Collaborations with industry associations to organise HR seminars on the topic of competency management, joint organisation of events with international marketing partners and collaborations with SMR, who owns and organises the ASIA HRD Congress conference and exhibition for the twenty-seventh (27th) year running which is now recognised as an industry event in Asia provides an avenue for the marketing of the SMRT Group's products and services.

5. INFORMATION ON THE GROUP (Cont'd)

The products and services of the SMRT Group, existing and to be launched, and their respective stages of completion are as follows:-

(i) Existing products and services

No	Products	Description of product	Date Launched	Existing stage of completion	Principal market-countries	Principal market-Countries as percentage of total revenue contribution (%)
1	HRDPower Access	HRD system with Competency and Performance Module incorporating KPI with Access backend	2001	Available in the market	♦ Malaysia / Asia ♦ UAE ♦ USA ♦ UK ♦ Australia ♦ New Zealand	♦ 68.8% ♦ 11.2% ♦ 8% ♦ 5% ♦ 4.2% ♦ 2.8%
2	HRDPower SQLServer	HRD system with Competency and Performance Module and KPI with SQL server backend and network version	2004	Available in the market	Malaysia	♦ 100%
3	Training Power	Training Management system with Access backend	2003	Available in the market	♦ Malaysia / Asia ♦ USA	♦ 99.8% ♦ 0.2%
4	HRDWebvarsity	A complete web-based Learning Management system	4th Quarter 2005	Available in the market	Malaysia	100%

(ii) Products and services to be launched

No	Products	Description of product	Expected launch date	Existing stage of completion	Principal market-countries
1	TrainersVirtualCampus	An on-line university for trainers specialising on Training the Trainers	1st Quarter 2006	This system is presently in the final production stage and should be ready for the market by year-end.	Global
2	HRDPortal	An on-line community portal for HR professionals with easy access to information, resources, products and services required for HRD	1st Quarter 2006	This system should be ready for test marketing by the 4th quarter of 2005.	Global
3	Competency Power	Competency based HRD system with functional competency classification	1st Quarter 2006	This system is presently in the production stage and should be ready for test marketing by the 4th quarter of 2005.	Global

5. INFORMATION ON THE GROUP (Cont'd)

No	Products	Description of product	Expected launch date	Existing stage of completion	Principal market-Countries
4	HRDPower.Net Completed version 1.0	An online portal for licensed users of HRDPower™ software system with easy access to information, resources, products and services required for HRD	3rd Quarter 2006	Version 2.0 of this system is presently in the production stage and should be ready for internal testing by the 3rd quarter of 2006. The beta version 1 was officially launched for test marketing on 27th July 2004.	Global
5	LearningPower.Net	An eLearning solution that can be used in corporate Intranets	4th Quarter 2006	This system is presently in the planning stage and should be ready for internal testing by the 4th quarter of 2006.	Global
6	EMPower	A web- based knowledge management system that can capture tacit knowledge spread across employees of an organization. It will feature discussion groups, best practice communities and document management applications to promote organisation wide knowledge management and life long learning	2nd Quarter 2007	This system is presently in the planning stage and should be ready for internal testing by the 2nd quarter of 2007.	Global
7	EpayPower	An electronic on-line payment system to facilitate payment and bookings for transactions over the Internet of the HR community	3rd Quarter 2007	This system is presently in the planning stage and should be ready for internal testing by the 3rd quarter of 2007.	Global
8	SuccessPower	A web-based knowledge management system that can reflect the succession planning and career path of the employees	4th Quarter 2007	This system is presently in the planning stage and should be ready for internal testing by the 4th quarter of 2007.	Global
9	PayrollPower	A dedicated payroll and remuneration system that caters other than normal payroll functions, will also be able to identify the additional benefits to be distributed to staff based on their competency apart from having a remote time and attendance HRDPower™ software system	2nd Quarter 2008	This system is presently in the planning stage and should be ready for internal testing by the 2nd quarter of 2008.	Global

5.   INFORMATION ON THE GROUP (Cont'd)

No	Products	Description of product	Expected launch date	Existing stage of completion	Principal market-Countries
10	Mlearning	A dedicated mobile learning HRDPower™ software system using GPRS and SMS interface linking to the eLearning community and services	3rd Quarter 2008	This HRDPower™ software system is presently in the planning stage and should be ready for internal testing by the3rd quarter of 2008.	Global
11	MEvaluation	A dedicated mobile evaluation HRDPower™ software system using GPRS and SMS interface linking to the HRDPower™ software system	4th Quarter 2008	This HRDPower™ software system is presently in the planning stage and should be ready for internal testing by the 4th quarter of 2008.	Global

The SMRT Group's application programmes seek to provide the clientele with competitive edges and to differentiate themselves from other HRM systems. The comprehensive application line up will ensure that the customers derive the maximum benefits once they use the Group's applications.

5.7   Technology and Intellectual Property

(i)   Technology

The HRDPower™ software system currently uses front-end tools such as Visual Basic 6, VB.net and ASP.net to develop the programme. The software can be interfaced with any database or device. The code combined with Visual Basic.net technology provides for multiple language capabilities. The system provides for value based HR by being enterprise driven rather than being transactional through the web-enable facilities.

The R&D team will focus on innovations to make the product functionally user friendly. One of the key features of HRDPower™ software system presently is the ability of the software to match a person to the right job based on competencies.

The SMRT Group will develop its own website search engine for locating specific information or competencies within an organisation. Though most search engines today look at the few key words (called Meta Tags) that were originally submitted when the site was set up with the search engine, the SMRT Group hopes to use advanced algorithms to locate specific information such as key competency.

(ii)   Intellectual property

The SMRT Group regards its IP 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 IP. The Group owns IP rights in the HRDPower™ software system.

5.   **INFORMATION ON THE GROUP (Cont'd)**

On 30 December 2003, SMRHRT entered into a Deed of Assignment assigning the copyright of HRDPower™ from SMR, the architect and designer of HRDPower™ software system, to SMRHRT. The HRDPower™ software system was purchased from SMR for a purchase consideration of RM900,000 satisfied by cash. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into consideration the R&D costs of the HRDPower™ software system up to 30 December 2003 of RM1.78 million. Pursuant to the Deed of Assignment, SMRHRT is allowed to resell the HRDPower™ software system in any form or price and can make any changes or enhancement to the source programs. The HRDPower™ software system is acquired together with the IP rights, domain, copyrights and all documentations associated with it. The Group has routinely taken such steps as are customary in its industry to protect its rights to its trademarks and IP, including the filing of trademark applications as described below:-

HRDPower™ has obtained its Certificate of Registration of a Trademark (Regulations 56) from Perbadanan Harta Intelek Malaysia on 10 November 2003 under trademark number 00005820.

The details of the trademarks of the Group are as follows:-

Trademarks	Class*	Application Number	Filing Date	Status
(1) HRDPower (globe) Logo	9	00005350	28 April 2000	Trademark filed for assignment of logo from SMR to SMRHRT.
(2) SMR Logo	16, 35, 38, 41, 42	2004-10404 to 2004-100408	21 July 2004	All classes pending substantive examination except class 38 accepted for CD29^ filing (Government Gazette for Advertisement.)
(3) Learning Power.Net	16, 35, 38, 41, 42	2004-10360 to 2004-100403	21 July 2004	All classes pending substantive examination except class 38 accepted for CD29^ filing.
(4) HRDPower.net	16, 35, 38, 41, 42	2004-10389 to 2004-100393	21 July 2004	All classes pending substantive examination except class 16 & 38 accepted for CD29^ filing.
(5) Training Power	16, 35, 38, 41, 42	2004-10399 to 2004-100364	21 July 2004	All classes pending substantive examination except class 16, 38 & 41 accepted for CD29^ filing.
(6) HRDWebvarsity	16, 35, 38, 41, 42	2004-10375 to 2004-100388	21 July 2004	All classes pending substantive examination except class 38 accepted for CD29^ filing.

5. INFORMATION ON THE GROUP (Cont'd)

Note:

^	CD 29	*Notice of Acceptance*

* *Class 9*   *Applicable for scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carries, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers, calculating machines, data processing equipment and computers, fire-extinguishing apparatus.*

        Class 16   *Applicable for booklet, bookmarkers, books; catalogue; forms (printed), handbook (manuals), newsletter; note books, pads or writing, printed matter, pencils, pens, printed publications, prospectus, stationary, writing pads.*

        Class 35   *Applicable for business consultancy (professional), business management and organisation consultancy, business management consultancy, business research, compilation of information into computer databases.*

        Class 38   *Applicable for computer aided transmission of messages and images, communications by computer terminals, electronic mail.*

        Class 41   *Applicable for education management training consultancy services, management training services, production of video tapes for corporate use in management educational training, providing course on business management, training in business management, training services to business management, training services relating to management consultancy.*

        Class 42   *Applicable for computer programming in human resource, management, development and educational training, maintenance of computer software, computer software design and computer system analysis.*

5.8 Marketing Strategy

(i) Product Positioning through HR Conferences worldwide

Positioning the product in the minds of the current practitioners through delivering keynotes in the world HRD conferences. Dr. Palan and the other professionals in the Group have actively presented the products and services at numerous conventions and trade expos around the world.

(ii) Cost Effective Marketing Campaigns

The Group has devised a system of cost effective marketing campaigns to expose both its products and services with active participation in HR congresses around the world and via presentations (i.e. through distribution of CD-ROMs, books, among others) to capture the attention of targeted and potential users.

(iii) Direct Mail

The Group also sends direct mail on a regular basis to potential users.

(iv) Product Positioning through Institutes of Higher Learning (HR Programmes)

The Group is also working and about to commence working with some institutions of higher learning that offer HR programmes to use the Group's products such as the following:-

♦   Institute of Administrative Management, UK;

♦   MATS Business School in Bangalore;

♦   UNIMAS, Sabah - Human Capital Development Programme; and

5.   INFORMATION ON THE GROUP (Cont'd)

♦   Malaysian Institute of Human Resource Management

The focus is to share the R&D work, use the product in teaching, the development of case studies and ensuring that the feedback from the academics together with the practitioners' feedback will result in a value added product for the organisation.

(v)   Global Brand Building Via HR Forums and Journals

The Group is embarking on a global brand building by writing articles and offering expert opinion in HR forums and journals such as the Indonesian Competency Conference, the AsiaHRD Congress, Australian Institute of Human Resource Management, Bahrain Training Institute International Conference and the National Institute of Personnel Management in India.

(vi)   Use of the Web

The Group is also using the web as a cost effective tool to develop a brand presence. The Group has a Learn & Perform monthly e-news that has nearly ten thousand (10,000) on-line subscribers who are from the HR community.

(vii)   Partnerships with Key Allies and Customers

The Group also partners with key allies and customers to promote its product. The Group's key allies are organisations that provide the Group with access to their members. Customers assist marketing by providing the Group with referrals.

(viii)   Using Valuable Industry Experience Gained from Clients

Using the experience gained from a customer in an industry may attract customers in a similar industry. The vertical and horizontal dissection provides many opportunities to the Group. Though this requires extensive research, it can be done with the right allocation of resources.

(ix)   Sales and Marketing through Network of Sales Associates and Accredited HRDPower Professionals

The Group is also developing a network of sales associates and accredited HRDPower™ professionals competent to sell, implement and train in the product.

5.9   Competitive Strengths

The Board believes that the Group is well positioned to capture future growth opportunities in view of its following principal strengths:-

(i)   Ease of Use

The key feature of the software is the ability for the user to 'self-service' themselves. This is designed from the initial set-up to the administration and operation of the computerised employee competency assessments.

(ii)   Early Mover Advantage

The SMRT Group who has already proven itself as a market leader in competency management solutions and services and has an early mover advantage as its core competence is difficult to imitate or duplicate as it has been worked and refined in the market place and it is combined with an astute management which knows how to do things right with the ability to identify what works and what does not work. The SMRT Group took its early mover advantage as a window for learning and building a right mix of users from different industries.

5.   **INFORMATION ON THE GROUP (Cont'd)**

(iii)   **Niche Product**

The SMRT Group is creating a niche product for a market that is at the very beginning of its life cycle which is essentially concerned with the productivity and competency of the employee and the effect on the company's bottom line, rather than operational HR matters such as payroll and time keeping.

Although as reported in the IDC Report that there has been a consolidation trend in the worldwide market for HR applications, the SMRT Group with its differentiation strategy and product niche will be able to compete effectively as unlike other large HR players who are focused on operational HR functions such as payroll, the SMRT Group focuses on competency management.

(iv)   **Abreast of the Latest Technology / Market Trends**

The SMRT Group researches the needs of the customer extensively and works towards delivering cutting edge solutions that exceed customer expectations. The SMRT Group has always managed to be proactive by studying the needs of the customer base and addressing their needs in developing and managing the human capital. The Group has always remained very close to technological innovations and being a leader and an early adopter in its area of niche rather than a mere follower. The "click and mortar" philosophy of organisations today requires a great understanding of their needs. The SMRT Group has always responded to this need by paying attention to trends in the customer's industry, technology and changes in the business world. This has allowed the SMRT Group to offer themselves as a preferred partner of choice for their human capital development and management needs. The HRDPower™ software system is based on current technologies such as VB6 (Visual Basic Version 6), VB.net and ASP.net. It provides for high-level security features using customised licensing. In addition, it has multi-lingual capabilities. All of these are achieved by optimising the code rather than rewriting the code. The product can interface with any database (Oracle, SQL server, DBII, mySQL) and with any device such as desktop and mobile devices. It is also developed to enable rapid implementation and deployment of human resources within weeks rather than months or years. The HRDPower™ software system provides for value based HR by being enterprise driven rather than being transactional through the web-enabled facilities.

The management team in SMRT is guided by the Board and a professional panel of HR experts in various fields, including an international think tank led by Professor Emeritus Donald Kirkpatrick, an internationally renowned expert who created the 4 level evaluation framework. He is the principal academic advisor behind SMRT who provides functional guidance from a theoretical perspective.

Ms Donna Webster – a veteran in the HR industry having served as Director of People & Innovation at the Pan Pacific Group of Hotels as well as corporations in Australia and Japan. She provides the practitioner viewpoint to make the product user-friendly that has kept the SMRT Group abreast with the trend of technological development taking place in this sector, as well as knowing the business, the market, the customers, and the ability to have a well-conceived implementation plan thus having an influence on the design and functionality of HRDPower™ in a positive manner.   As the Group's products are developed by HR professionals and not purely by software houses or normal programmers, the Group understands and could adapt this technology to suit the needs of the HRM users.

(v)   **SMRT and Dr. Palan Brand**

SMRT Group is recognised worldwide through Dr. Palan for its know-how in human capital development through the books published and key notes delivered at HR conferences worldwide. Dr. Palan himself is a powerful marketing tool for the promotion of the products and services of the SMRT Group. Dr. Palan has also created a network of professional HR practitioners specialising in competency and performance management.

5.   INFORMATION ON THE GROUP (Cont'd)

In addition, the branding is value added through SMR, the substantially owned company of Dr. Palan, through its ownership and organisation of the annual HRD Asia Congress for the last twenty-seven (27) years which have created a HR community of HR practitioners and professionals.

The Group has outstanding products and services that are functionally and technically outstanding in today's market place. The Group has demonstrated by using their product and processes, on how a competency development initiative and performance management system can be implemented according to the needs of the customer within a few weeks or months rather than years. The product is clearly differentiated from the others due to its brand - SMRT Group and Dr. Palan - brands that have made a positive impact on the HR community and the decision makers when purchasing a HRD system.

(vi)   Effective Revenue Model

The SMRT Group's success in the HRD and competency software development sector of the HRM stems from its highly effective revenue model. The SMRT Group's revenue model is based on multiple streams of revenue for the Group including:-

♦   sales of the software;

♦   lease of the software;

♦   annual maintenance contracts of software;

♦   customisation of software;

♦   implementation of software;

♦   training on effective usage of software; and

♦   outsourcing services to organisations for the automation of transactional HR aspects.

The Group's revenue model is based on multiple streams of revenue for the Group. The revenue model was built upon the experience of the management of the SMRT Group as HR professionals and the potential income foreseen in the market.

The SMRT Group's unique approach allows the Group to maximise revenue from the multiple streams to make this business into a viable and cash flow positive business. With uninterrupted profit for the last three (3) years, the revenue model has proven to be effective and viable.

(vii)   Cost Effective

Cost effective marketing campaigns have been adopted to expose both the products and services via active participation in HR congresses around the world and via presentations (i.e. through distribution of CD-ROMs, books, among others) to capture the attention of targeted and potential users.

As SMRHRT is an MSC status company, it has been able to attract talent from outside Malaysia to work on specific projects. SMRHRT has been able to keep costs down too due to its effective management processes and project tools used in software management and has also been able to leverage on the recognition bestowed upon it as a MSC company.

5.   **INFORMATION ON THE GROUP (Cont'd)**

(viii)   **Dedicated Competent Staff**

The competitive edge of a company largely comes from people and the product that they create and market to the world. The SMRT Group has a balanced team of talented developers, sales and marketers, researchers, managers and leaders. Internally, the Group has effective strategies, talent, processes and management to grow the Group. A proposed plan to retain key personnel with a share option scheme and the ability to recruit skilled manpower will ensure the continued successful implementation of strategies of the Group to maintain the competitive edge of the SMRT Group over its competitors.

(ix)   **Good and Wide Customer Base**

The HRDPower™ software system, has already an international customer base in thirty-one (31) countries, with customers in South, East and West Asia, Australia, USA, Europe, Africa and ASEAN countries, ranging from multinationals to public listed companies, all across various industries.

The SMRT Group is also strong in industries that are considered high potential and high value such as the oil and gas industry, the healthcare industry, the hospitality industry, the heavy manufacturing industry, the consumer electronics industry and the aviation industry. The experience gained with a customer within the industry is captured in the internal knowledge management system. This allows for future customisation and implementation to be made scalable. With the knowledge management system and the retention of key staff, the lead times for customisation and implementation have been drastically shorted. These add value to the customer who in today's context is always pressured for time and want things done immediately.

(x)   **Multi-Language Capabilities**

The SMRT Group understands the underlying Asian culture of the medium to large enterprises as a vast majority of them can only communicate in their own language rather than in English. The Group has a good mix of workforce with the ability to cater to the needs of these medium to large enterprises. The SMRT Group is in a unique position with its products to offer its services to link these medium to large enterprises to the global staff force due to its multi language capabilities. Countries in the Middle East and Japan require Arabic and Japanese language versions which are available on HRDPower™.

5.10   **R&D Capabilities**

(i)   **R&D Objectives**

The key R&D objectives of the Group are as follows:-

(a)   To increase R&D manpower, training and resources as follows:-

	Financial Year Ended / Ending 31 December					
	2003	2004	2005	2006	2007	2008
No. of R&D staff	8	15	17	30	42	54
Increase	-	7	2	13	12	12

(b)   To collaborate in joint R&D with industry partners such as eLearning developers, content developers and institutions of higher learning; and

(c)   To keep abreast with new technology.

5.   INFORMATION ON THE GROUP (Cont'd)

The SMRT Group's R&D plans in the next few years include efforts to propel the Group into the global industrial and enterprise forefront as the cutting-edge, all-in-one, human capital development provider for medium to large enterprises, combining best practice technologies with best practice knowledge in competency management and HRD processes.

(ii)   R&D Programmes and Strategies

The primary R&D strategy of the SMRT Group is to reinforce the Group's position in global HRD and competency management. This involves enhancing further the present suite of software applications under the HRDPower™ software system to accommodate feedback on functionalities from its customers. A central theme will be to add HRM functions to the software applications so as to enable continuous tracking of all movements and task, projects, postings, reliability, dependency, human capital development and queries between management and staff.

The four (4) pronged step-staggered R&D programme:-

(a)   to develop and market a HRD or eLearning alliance hub that will use new HRM technologies specific to global HRD;

(b)   to develop new HRM functionalities such as on-line staffing, portfolio management and logistic tracking;

(c)   to develop and market a full-suite corporate and HRD eLearning service; and

(d)   to develop and market collaborative HR communities that will enable www.smrhub.com as a portal hub to catalyse and mediate HRD and HRM products and services, involving HR related activities suppliers, HRM and HRD tools suppliers, technology suppliers, business process outsourcing companies, subcontractors/consultants and buyers/consortiums in an integrated eHR-Community.

(iii)   Investment In R&D since Incorporation

The Group has invested approximately RM2.8 million during the financial years ended 31 December 2001 to 31 December 2004 on the HRDPower™ software system and the respective modules. The breakdown is as follows:-

Item	Financial Year Ended 31 December				TOTAL
	2001 RM	2002 RM	2003 RM	2004 RM	
HR costs	346,891	346,891	346,890	367,921	1,408,593
Hardware and computer peripherals	11,880	161,880	150,000	0	323,760
Software and third party components	35,266	35,267	0	300,000	370,533
Leaseline / Hosting & Dataline	16,500	16,500	16,500	52,617	102,117
Research and Training	90,000	90,000	90,000	306,390	576,390
Total R&D costs	500,537	650,538	603,390	1,026,928	2,781,393
Revenue	112,191	207,437	2,026,285	4,205,703	6,551,616
% of revenue	446.15%	313.61%	29.78%	24.42%	42.45%

5. INFORMATION ON THE GROUP (Cont'd)

5.11 Employees

The Group believes that continual staff training is vital in ensuring that the Group keeps abreast with technological changes and development to satisfy the ever-changing needs of the customers as well as to maintain operational efficiency and effectiveness.

As at the Latest Practicable Date, the Group has a total of twenty-nine (29) employees holding various job functions including sales and marketing, finance, administration, human resources, customer service, content editorial and development, technical support and software development, none of which are members of any union labour organisation and there has been no labour disputes in the past. The management has always enjoyed a cordial relationship with its employees. The employees are given job training and are sent to various courses and seminars to enhance their knowledge of the industry and to broaden their business network.

The following is a table setting out the categorical breakdown of the number of the Group's employees as at the Latest Practicable Date:-

Category of employees	Total	Average years of service
Managerial / professional	11	< 5 years
Technical / supervisory	15	< 2 years
Administration / accounts	3	< 4 years
Total	**29**	

5.12 Milestones/Achievements

SMRT is at present a one hundred percent (100%) Malaysian-owned company. The summary of the key business development milestones of the Group are as follows:-

Date	Milestones
6 April 1998	Incubation of HRDPower™ in Australia to take advantage of the government supported competency movement using the abundance of IT talent in Australia by Dr. Palan, the founder of SMRT
12 November 1999	HRDPower™ Version 1 launched in Sydney, Australia by Dr. Palan, the founder of SMRT, to take advantage of the government supported competency movement using the abundance of IT talent in Australia
10 April 2000	HRDPower™ Version 1 launched in Shangri-La Hotel, Malaysia
15 July 2000	Video conferencing, sponsored by Telekom Malaysia with USA, at Regional Trainers Meet Trainers by YB. Dato' Latif, the then Deputy Human Resource Minister to launch e-learning prototype of HRDPortal™
26 January 2001	SMRHRT incorporated in Malaysia
29 January 2001	SMRHRT awarded MSC Status
16 February 2001	HRDPower™ Version 1 launched with the support of Malaysian Trade Council in Dubai with first customer secured in Dubai being Dubai Marine Beach Resort
20 March 2001	R&D team relocated to Cyberjaya after SMRHRT was awarded the MSC status
20 August 2001	Software and implementation contract secured with National Drilling Company, Abu Dhabi

5.   INFORMATION ON THE GROUP (Cont'd)

Date	Milestones
25 March 2001	HRDPower™ Version 1 launched at Human Resource Conference at Guangzhou, Shenzhen, Shanghai and Beijing
1 August 2002	Secured first contract in Malaysia for HRDPower™ Version 1 with Malaysian Shipyard Engineering Bhd
24 December 2002	Secured contract to implement HRDPower™ software system at Pusat Perubatan Universiti Malaya (PPUM, University Hospital) and Tenaga Generation Sdn Bhd
8 February 2002	Secured contract to implement HRDPower™ software system at Pan Pacific Hotels and Resorts worldwide
20 July 2003	SMRT released a book - Competency Management: A practitioner's guide authored by Dr. Palan, the founder of SMRT - by Y.B. Dato' Seri Najib B. Tun Abdul Razak. This book positioned SMRT in the competency management field.
15 October 2003	A Memorandum of Understanding was signed by SMRT with the Malaysian Institute of Human Resources Management
9 January 2004	Launched HRDPower™.net alpha series at Legend Hotel, Kuala Lumpur
4 February 2004	• Secured Petronas contract through the Internal Consulting division of Petronas at Bangi to implement a competency HRDPower™ software system for its subsidiary Malaysian International Trade Company (MITCO(Japan) • Secured Tenaga Distribution Sdn Bhd contract to implement a competency HRDPower™ software system
17 February 2004	SMRT was invited to present a paper at ASEAN- EC (European Council) Management Centre at Brunei on Impact on E-HR on Business
10 March 2004	SMRT was invited to speak at the government sponsored Australian Institute of Training and Development National Conference
25 April 2004	SMRT was invited to speak at the government sponsored Human Resource Conference chaired by the Minister of Labour in Bahrain
27 July 2004	HRDPower.Net beta launch by YB Dato Fong Chan Onn, Minister of Human Resources at the Asia HRDCongress, 2004
10 October 2004	HRDPower website recognised by the International Association of Webmasters & Web Designers for excellent web design, originality and content in the 2003/2004 Golden Web Awards (www.goldenwebawards.com)
10 December 2004	Awarded ICT Adoption Award during the SMI Recognition Award Series 2004 by Y.B. Dato' Wira Fong Chan Ong, Minister of Human Resources
11 December 2004	Dr. Palan, founder of SMRT, awarded the Global HR Personality of the year by the Finance Minister of India

5. INFORMATION ON THE GROUP (Cont'd)

Date	Milestones
16 January 2005	SMRT awarded the ASIA Pacific Keris Honesty Award 2004 to recognise its achievement as one of the top SMEs (small and medium sized enterprises) in Malaysia
2 September 2005	SMRT awarded the second position in the Enterprise 50 list by the MITI and Deloitte Kassim Chan
23 September 2005	SMRT awarded the Golden Bull Award by Nanyang Siang Pau to recognise its achievement as an 'Emerging Company' in Malaysia
8 December 2005	SMRHRT announced as one of the winners of the Deloitte Technology Fast 500 Asia Pacific 2005 Program, which acknowledges and honours fast-growing technology companies across Asia Pacific. SMRHRT was awarded the seventeenth (17th) position at the Grand Hyatt Hotel in Hong Kong on 8 December 2005.

5.13 Other information

(i) Approvals, Major Licences & Permits

Save as disclosed below, as at the Latest Practicable Date, there are no other approvals, major licences and permits obtained by the Group for the running of its business operations:-

Company	Authorities	Date of issuance	Type of approval
SMRHRT	MDC	29 January 2001	MSC status

(a) MSC Status

SMRHRT obtained its MSC status on 29 January 2001. Having qualified for MSC status, SMRHRT is expected to operate according to the following conditions to maintain the preferential status:-

Conditions of grant of MSC-Status	Status of compliance
♦ commence operations of and undertake the MSC-Qualifying Activities within six (6) months from the date of approval with any proposed changes being first consented to by MDC;	Complied
♦ locate the implementation and operation of the MSC-Qualifying Activities in Cyberjaya within six (6) months from the date of the approval;	Complied
♦ ensure that at all times at least 15% of the total number of employees (excluding support staff) of SMRHRT shall be "knowledge workers" (as defined by MDC);	Complied
♦ continuously comply with the MSC's environmental guidelines;	Complied
♦ submit to MDC a copy of SMRHRT's Annual Report and Audited Statements in parallel with submission to the ROC;	Complied
♦ comply with all such statutory, regulatory and/or licensing requirements as may be applicable; and	Complied
♦ the status granted to SMRHRT shall not be transferable or assignable in any way whatsoever without the written consent of MDC.	Condition noted.

5.   **INFORMATION ON THE GROUP (Cont'd)**

(ii)   **Principal Assets and Principal Place of Business**

The SMRT Group is presently operating at No. 14-4, Jalan Bangsar Utama 1, Bangsar Utama, 59000 Kuala Lumpur, which has a total built up area of about 2,000 sq. ft.

The R&D activities are carried out at Unit No. S03A, 2nd Floor, Block 2300, Century Square 1, Jalan Usahawan, 63000 Cyberjaya, Selangor Darul Ehsan, which has a total built up area of about 1,300 sq. ft.

Both the above properties are rented.

(iii)   **Interruption to Operations**

There has been no interruption to the Group's business or operations which may have had a significant effect on the operations of the Group in the past twelve (12) months prior to the Latest Practicable Date.

(iv)   **Major Customers**

The Group is not dependent on any one major customer for its products and services.

For the financial year ended 31 December 2004, the top ten (10) customers of the Group are as follows:-

Customers	Length of relationship with customer (year/s)	Amount RM	% of sales
Al-Mansoor Enterprise Group, Abu Dhabi, UAE	2	428,140	9.96
Tenaga National Berhad Group, Malaysia	2	423,405	9.85
Samsung SDI (Malaysia) Berhad, Malaysia	1	300,000	6.98
National Drilling Company, Abu Dhabi, UAE	1	229,995	5.35
Matsushita Industrial Corp. Sdn. Bhd., Malaysia	1	214,825	5.00
Arabian East Training Centre (AETC), Bahrain	1	191,500	4.46
Kobe Precision Technology Sdn. Bhd., Malaysia	2	189,000	4.40
Petronas Management Training Sdn. Bhd., Malaysia	1	110,105	2.56
Pan Pacific Hotels and Resorts, Worldwide	2	103,591	2.41
Malaysia Shipyard & Engineering Sdn. Bhd., Malaysia	3	95,325	2.22

5.   INFORMATION ON THE GROUP (Cont'd)

For the financial period ended 30 September 2005, the top ten (10) customers of the Group are as follows:-

Customers	Length of relationship with customer (Year/s)	Amount RM	% of Sales
Maas Incorporation, USA	2	424,902	7.3
Suria Capital Berhad, Malaysia	1	339,464	5.9
BP Plastics Sdn. Bhd., Malaysia	1	335,000	5.8
Asean-EC Management Centre, Brunei	1	324,750	5.6
Al-Mansoor Enterprise Group, UAE and Qatar	3	323,999	5.6
Pan Pacific Hotel & Resorts, Worldwide	3	317,620	5.5
PPM Institute of Management, Indonesia	1	317,120	5.5
Gold & Jewellery Group, UAE	1	320,000	5.5
Petronas Group, Malaysia	1	312,600	5.4
Emas Incorporation, USA	2	311,818	5.4

(v)   Major Suppliers

The Group is not dependent on any one major supplier for its business.

The top ten (10) suppliers (Malaysian unless otherwise stated) of the Group for the financial year ended 31 December 2004 are as follows:-

Suppliers	Length of relationship with supplier (year/s)	Amount RM	% of cost of sales
Component One LLC,* USA	1	300,000	22.35
Strategic Quality Management Consultancy	1	68,500	5.10
E-print communication	1	18,180	1.35
Cyberview Lodge Sdn Bhd, Century Square	2	16,673	1.24
Center for Excellence in Organisation	1	12,000	0.89
Displaymax (M) Sdn Bhd	1	11,123	0.83
Innogen Sdn Bhd	1	9,520	0.71
Kris International Travel & Tours Sdn Bhd	2	8,653	0.64
Exhibitions Promotions and Management	1	7,182	0.50
JobStreet.com Sdn Bhd	1	5,933	0.40

Note:-

*   *Component One LLC is a major supplier to SMRT only for the financial year ended 31 December 2004 resulting from a one-off purchase of report interphase component software that is required to run reports using search engine on the web which is also available in other forms in the market.*

5. INFORMATION ON THE GROUP (Cont'd)

The top ten (10) suppliers of the Group for the financial period ended 30 September 2005 are as follows:-

Suppliers	Length of relationship with Supplier (Year/s)	Amount RM	% of cost of sales
Data Dynamic Corporation,** USA	1	598,896	14.8
Strategic Quality Management Consultants, Malaysia	2	319,401	7.9
Pentafour Software & Exports Ltd, India	1	49,224	1.2
Hay Group, USA	1	48,750	1.2
Jossey Bass, USA	1	47,980	1.2
Behavioural Research International Ltd, Singapore	1	47,921	1.2
Executive Business Channel Ltd, UK	1	47,720	1.2
Great Circle Learning, USA	1	45,600	1.1
Pfeiffer & Company B.V., USA	1	35,000	0.9
Component One LLC, USA	1	32,200	0.8

Note:-

** *Data Dynamic Corporation is a major supplier to SMRT only for the financial period ended 30 September 2005 resulting from a one-off purchase of data mining tools. This software tool is required to process voluminous data on the web which is also available in other forms in the market.*

(vi) **Summary of Landed Properties**

As at the Latest Practicable Date, the SMRT Group does not own any landed properties registered under its name.

(vii) **Related Companies with Similar Trade**

None of the Directors or substantial shareholders of the Group has any interest, direct interest, in any business carrying on a similar trade as the Group.