



SerSol Technologies Berhad

(Company No.: 602062-X)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 23,732,500 NEW ORDINARY SHARES OF RM0.10 EACH AT AN ISSUE PRICE OF RM0.30 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

PRIVATE PLACEMENT

- 18,332,500 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR PLACEMENT TO SELECTED INVESTORS

PUBLIC OFFER

- 500,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE PUBLIC
- 4,900,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF SERSOL TECHNOLOGIES BERHAD AND ITS SUBSIDIARY

IN CONJUNCTION WITH ITS LISTING ON THE MESDAQ MARKET OF THE BURSA MALAYSIA SECURITIES BERHAD (formerly known as Malaysia Securities Exchange Berhad)

Adviser, Sponsor, Managing Underwriter and Placement Agent



SOUTHERN
Investment Bank

Southern Investment Bank Berhad (169955-T)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" UNDER SECTION 4 HEREIN



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SerSol Technologies Berhad

The Directors and Promoters of Sersol Technologies Berhad (STB or the Company) have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Southern Investment Bank Berhad, the Adviser, Sponsor, Managing 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.

The Securities Commission (SC) and Bursa Malaysia Securities Berhad (Bursa Securities) have approved the issue or invitation in respect of the Public Issue and that the approval shall not be taken to indicate that the SC and Bursa Securities recommend the Public Issue.

The SC and Bursa Securities shall not be liable for any non-disclosure on the part of STB 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 of the MESDAQ Market of Bursa Securities is not to be taken as an indication of the merits of the invitation, STB 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.**

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 MESDAQ Market of Bursa Securities is a distinct market from the Main and Second Boards in many respects. In particular, companies listed on MESDAQ Market 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 Market 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 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 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 SC Act 1993, e.g. directors and advisers, are responsible.

This Prospectus can also be viewed or downloaded from Bursa Securities's website at www.bursamalaysia.com

INDICATIVE TIMETABLE

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

| Events | Date |
|---|-------------------|
| Opening of Application for the Public Issue | 23 September 2004 |
| Closing of Application of the Public Issue | 30 September 2004 |
| Tentative date for balloting for the Public Issue | 4 October 2004 |
| Tentative date of allotment of the Public Issue Shares to successful applicants | 7 October 2004 |
| Tentative Listing Date on the MESDAQ Market of Bursa Securities | 12 October 2004 |

Note:

The Application will remain open from 10:00 a.m. on 23 September 2004 to 5:00 p.m. on 30 September 2004 or for such further period or periods as the Directors of STB in their absolute discretion may decide in consultation with the Managing Underwriter. Should the closing date of the Application for the Public Issue Shares be extended, the tentative dates for the balloting, despatch of Notice of Allotment and listing of STB's entire enlarged issued and paid-up share capital on the MESDAQ Market would be extended accordingly. Late Applications for the Public Issue Shares will not be accepted.

In the event that the Directors of the Company and the Managing Underwriter decide to extend the closing date of the Application, appropriate press releases will be made to the local news agencies and an advertisement will be placed in one (1) Bahasa Malaysia and one (1) English newspapers.

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures.

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ABBREVIATIONS

In this Prospectus, the words and phrases below, unless the context otherwise requires, shall bear the meanings assigned next to them:

| Abbreviations | Meanings |
|-----------------------------------|--|
| Companies | |
| MSSB | Multi Square Sdn Bhd, a wholly-owned subsidiary of STB |
| NVSB | Nationcam Ventures Sdn Bhd |
| SHSB | Sersol Holdings Sdn Bhd |
| STB or Company | Sersol Technologies Berhad |
| STB Group or Group | STB and its subsidiary, MSSB |
| Listing Scheme | |
| Listing | Admission to the Official List of the MESDAQ Market and the listing of and quotation for the entire enlarged issued and paid-up share capital of STB of RM9,493,100 comprising 94,931,000 new STB Shares on the MESDAQ Market |
| Listed | As defined in Section 2 of the Securities Commission Act, 1993 or any modification, amendment or re-enactment thereof for the time being in force |
| MSSB Acquisition | Acquisition of the entire issued and paid-up share capital of MSSB of RM1,620,000 comprising 1,620,000 MSSB Shares for a purchase consideration of RM7,119,859 which was satisfied by the issuance of 71,198,498 new STB Shares at an issue price of approximately RM0.10 per STB Share |
| Pink Form Share Allocation Scheme | The issue of 4,900,000 new STB Shares allocated to the eligible Directors, employees and business associates of STB Group pursuant to the Public Issue |
| Placees | Individual or institutional investors identified/ to be identified to subscribe for the new STB Shares issued pursuant to the Public Issue via Private Placement |
| Placement/ Public Issue Price | Placement/ Public issue price of RM0.30 per STB Share |
| Private Placement | Private Placement of 18,332,500 new STB Shares issued pursuant to the Public Issue at Placement Price to the Placees |
| Promoter(s) | A person(s) who has(ve) interest directly and indirectly in one or more voting shares in STB, and who can exercise control or influence over the management of STB at the time of STB's admission to the MESDAQ Market. The Promoters are SHSB, Tan Fie Ping, Tan Fie Jen, Tan Chuan Thye and Tan Bee Ngoh |
| Public Issue | Comprising Public Offer and Private Placement |
| Public Issue Shares | The 23,732,500 new STB Shares to be issued pursuant to the Public Issue and are subject to the terms and conditions of this Prospectus |

ABBREVIATIONS

Abbreviations**Meanings**

| | |
|----------------------------------|---|
| Public Offer | The issue of 4,900,000 and 500,000 new STB Shares to the eligible Directors, employees and business associates of STB Group; and the public investors respectively pursuant to the Public Issue |
| Restructuring and Listing Scheme | MSSB Acquisition, Public Issue and Listing, collectively |
| Transfer | The transfer of 49,794,999 STB Shares received by certain vendors of MSSB, namely Tan Fie Ping, Tan Fie Jen and Tan Chuan Thye as part of sale consideration for the MSSB Acquisition to SHSB in exchange for 1,133 new SHSB Shares |

Securities

| | |
|---------------|---|
| Securities | As defined in Section 2 of the Securities Commission Act, 1993 or any modification, amendment or re-enactment thereof for the time being in force |
| MSSB Share(s) | Ordinary share(s) of RM1.00 each in MSSB |
| SHSB Share(s) | Ordinary share(s) of RM1.00 each in SHSB |
| STB Share(s) | Ordinary share(s) of RM0.10 each in STB |

Authorities/ Regulations

| | |
|--------------------------|---|
| Act | Companies Act, 1965 |
| ADA | Authorised Depository Agent |
| ADA Code | ADA (Broker) Code |
| Bursa Depository | Bursa Malaysia Depository Sdn Bhd |
| Bursa Securities | Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) |
| CDS | Central Depository System |
| Central Depositories Act | The Securities Industry (Central Depositories) Act 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force |
| Government | Government of Malaysia |
| IPD | Intellectual Property Division |
| MASB | Malaysian Accounting Standard Board |
| MESDAQ | Malaysian Exchange of Securities Dealing & Automated Quotation Berhad |
| MESDAQ Market | MESDAQ Market of Bursa Securities |

ABBREVIATIONS

| Abbreviations | Meanings |
|----------------------|--|
| MIDA | Malaysian Industrial Development Authority |
| MIH or Issuing House | Malaysian Issuing House Sdn Bhd |
| MITI | Ministry of International Trade and Industry |
| MMLR | MESDAQ Market Listing Requirements of Bursa Securities |
| Official List | A list specifying all securities which have been admitted for listing on Bursa Securities and not removed |
| ROC | Registrar of Companies |
| Rules | Bursa Depository Rules |
| SC | Securities Commission |
| Securities Account | An account established by the Bursa Depository for a Depositor for the recording of deposits of Securities and for dealing in such Securities by the Depositor as defined in the Central Depositories Act and/or the Rules |

Adviser

| | |
|------|---------------------------------|
| SIBB | Southern Investment Bank Berhad |
|------|---------------------------------|

Technical Terms

| | |
|-----|---------------------------------|
| 1K | One Pack |
| 2K | Two Pack |
| ABS | Acrylonitrile-Butadiene-Styrene |
| AC | Acid-Catalysed |
| MDF | Medium Density Fiber |
| NC | Nitrocellulose |
| OBM | Original Brand Manufacturer |
| OEM | Original Equipment Manufacturer |
| PCB | Printing Circuit Board |
| PS | Polystyrene |
| PU | Polyurethane |
| UA | Urethane Alkyd |
| UV | Ultra-Violet |
| UVC | Ultra-Violet Curable |

ABBREVIATIONS

| Abbreviations | Meanings |
|------------------------------------|---|
| VOC | Volatile Organic Compounds |
| Financial Terms | |
| EPS | Earnings per share |
| Gearing ratio | Total interest bearing borrowings over the shareholders' funds |
| NBV | Net book value |
| NTA | Net tangible assets |
| PAT | Profit after taxation |
| PBT | Profit before taxation |
| Others | |
| AFTA | ASEAN Free Trade Area |
| Application(s) | Application(s) for the Public Issue Shares by way of Application Forms or an Electronic Share Application |
| Application Form(s) | A printed form for the purpose of applying for the Public Issue Shares |
| ASEAN | Association of South East Asia Nations |
| ATM | Automatic Teller Machine |
| Board | Board of Directors of STB |
| CAGRs | Compounded Annual Growth Rates |
| DVD | Digital Video Disc |
| E & E | Electrical and Electronics |
| Electronic Share Application(s) | The Electronic Share Application referred to in Section 17.5 of this Prospectus |
| Frost & Sullivan | Frost & Sullivan (M) Sdn Bhd |
| GDP | Gross Domestic Product |
| Hi-Fi | High-Fidelity |
| Independent Market Research Report | The independent market research report dated March 2003 and June 2004 prepared by Frost & Sullivan, an independent market researcher which is not prepared for the inclusion in the Prospectus. However, an executive summary of this report is included in Section 14 of this Prospectus and the full report is available for inspection at the registered office of STB during office hours for a period of twelve (12) months from the date of this Prospectus |

ABBREVIATIONS

| Abbreviations | Meanings |
|------------------------|--|
| ISO | International Organisation of Standardisation |
| Kg | Kilogram |
| LMW | Licensed Manufacturing Warehouse |
| Market Day(s) | Any day between Mondays to Fridays which is not a market holiday of Bursa Securities or a public holiday |
| MATRADE | Malaysia External Trade Development Corporation |
| MNCs | Multinational Corporations |
| MT | Metric Tonnes |
| nm | Nanometers |
| RA | Reinvestment Allowance |
| R & D | Research and Development |
| RM and sen | Ringgit Malaysia and sen respectively |
| SPA | Sale and Purchase Agreement |
| TV | Television |
| Underwriting Agreement | Underwriting agreement dated 16 September 2004 between STB and its Managing Underwriter |
| US | United States |
| USD | US Dollar |
| VCD | Video Compact Disc |
| VCR | Video Cassette Recorder |
| WTO | World Trade Organisation |

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