



Baneng Holdings Bhd

(Company No. 907159-W)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE

OF 9,000,000 NEW ORDINARY SHARES OF RM1.00 EACH
AT AN ISSUE PRICE OF RM2.10 PER ORDINARY SHARE
PAYABLE IN FULL ON APPLICATION PURSUANT TO THE LISTING
OF BANENG HOLDINGS BHD
ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

Adviser and Managing Underwriter



MIMB

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No. 90094-W)
(A Member of CIMB Bank Group)



THIS PROSPECTUS IS DATED 31 JANUARY 2002

This prospectus has been seen and approved by the directors and promoters of Baneng Holdings Bhd ("Baneng Holdings") and they collectively and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false and/or misleading.

Malaysian International Merchant Bankers Berhad, being the Adviser and Managing 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 of 9,000,000 new ordinary shares of RM1.00 each in Baneng Holdings ("Public Issue"), and is satisfied that the profit estimate and forecast (for which the directors are fully responsible) prepared for inclusion in the Prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The issue price of RM2.10 per ordinary share was entirely determined and agreed upon by Baneng Holdings and Malaysian International Merchant Bankers Berhad, as the Adviser and Managing Underwriter, based on various relevant factors. Investors should form their own views on the valuation of the securities and the reasonableness of the bases used.

The Securities Commission ("SC") has approved the Public Issue and the approval of the SC shall not be taken to indicate that the SC recommends the Public Issue which is the subject of this Prospectus. The SC shall not be liable for any non-disclosure on the part of Baneng Holdings and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **Investors should rely on their own evaluation to assess the merits and risks of any investment.**

The Kuala Lumpur Stock Exchange ("KLSE") assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the official list of the Main Board of the KLSE is not to be taken as an indication of the merits of Baneng Holdings or its ordinary shares.

A copy of this Prospectus has been registered by the SC and lodged with the Registrar of Companies, Malaysia who takes no responsibility for its contents.

INDICATIVE TIMETABLE

EVENTS		DATE
OPENING OF THE PUBLIC ISSUE	:	31 January 2002
CLOSING OF THE PUBLIC ISSUE	:	20 February 2002*
TENTATIVE BALLOTING DATE	:	27 February 2002
TENTATIVE ALLOTMENT DATE	:	14 March 2002
TENTATIVE LISTING DATE	:	21 March 2002

Note :

- * The Directors of Baneng Holdings together with the Managing Underwriter may at their absolute discretion decide to extend the closing date of the Public Issue to a further date or dates.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

“Baneng Holdings” or the “Company”	:	Baneng Holdings Bhd (307139-W)
“Baneng Holdings Group” or the “Group”	:	Baneng Holdings and its subsidiary companies
“Baneng”	:	Baneng Industries Sdn Bhd (65668-A)
“BTSB”	:	Baneng Trading Sdn Bhd (187680-T), a wholly-owned subsidiary company of Baneng
“Chenille”	:	Chenille International Pte Ltd (199105370C)
“Maxlin”	:	Maxlin Garments Sdn Bhd (148129-P), a wholly-owned subsidiary company of Baneng
“Seri Pertamas”	:	Seri Pertamas Garment Manufacturer Sdn Bhd (AGO/RC/3352)
“Upaya Mendaki”	:	Upaya Mendaki Sdn Bhd (293305-T)
“Acquisitions by Baneng”	:	the acquisitions by Baneng of the remaining 7.50% equity interest in Maxlin and 20.00% equity interest in BTSB for a total cash consideration of RM994,138 based on the respective companies’ audited NTA as at 31 December 1998
“Acquisitions by Baneng Holdings”	:	the acquisitions by Baneng Holdings of : (a) the entire issued and paid-up share capital of Baneng comprising 8,000,000 shares for a purchase consideration of RM55,122,600 which was wholly satisfied by an issue of 47,484,815 new shares in Baneng Holdings, at an issue price of RM1.16 per share; (b) the entire issued and paid-up share capital of Chenille comprising 30,000 ordinary shares of S\$1.00 each for a purchase consideration of RM496,319 which was wholly satisfied by an issue of 427,549 new shares in Baneng Holdings, at an issue price of RM1.16 per share; and (c) 1,100,000 ordinary shares of B\$1.00 each representing 55.00% of the issued and paid-up share capital of Seri Pertamas for a purchase consideration of RM3,584,270 which was wholly satisfied by an issue of 3,087,634 new shares in Baneng Holdings, at an issue price of RM1.16 per share.

DEFINITIONS (Cont'd)

“Acquisitions”	:	Acquisitions by Baneng and Acquisitions by Baneng Holdings collectively
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“B\$”	:	Brunei Dollar
“CDS”	:	Central Depository System
“EU”	:	European Union
“FIC”	:	Foreign Investment Committee
“GP Margin”	:	gross profit margin
“Issue Shares”	:	the 9,000,000 new shares of RM1.00 each to be issued by Baneng Holdings pursuant to the Public Issue
“KLSE”	:	Kuala Lumpur Stock Exchange
“MCD”	:	Malaysian Central Depository Sdn Bhd
“MI”	:	minority interest
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad
“MIMB”	:	Malaysian International Merchant Bankers Berhad
“MITI”	:	Ministry of International Trade and Industry
“NTA”	:	net tangible assets
“PAT Margin”	:	profit after tax margin
“Public Issue”	:	the public issue by Baneng Holdings of the Issue Shares at an issue price of RM2.10 per ordinary share to the Malaysian public
“PE Multiple”	:	price-earnings multiple
“R&D”	:	research and development
“RM” and “sen”	:	Ringgit Malaysia and Sen respectively
“ROC”	:	Registrar of Companies
“SC”	:	Securities Commission
“S\$”	:	Singapore Dollar
“share(s)”	:	ordinary share(s) of RM1.00 each

DEFINITIONS *(Cont'd)*

“UK”	:	United Kingdom
“USA” or “US”	:	United States of America
“USD”	:	US Dollar

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