

A n n u a l R e p o r t 2 0 0 0



JIN LIN WOOD INDUSTRIES BERHAD
(Company No: 467115-T)

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Corporate information

BOARD OF DIRECTORS

Chieng Hie Kwong
Chairman

Ko Kung Hai
Managing Director

Ibrahim Bin Hj Yusoff

Aminodin Bin Ismail

Mohd Shukri Bin Mohd Yunus

David Sengalang Anak Uyang

Chan Lan Ngai

AUDIT COMMITTEE

Mohd Shukri Bin Mohd Yunus *
Chairman

Ko Kung Hai ^a

David Sengalang Anak Uyang *

(* Independent & Non-Executive Director)

(^a Non-Independent Managing Director)

COMPANY SECRETARY

Gwee Ooi Teng
(MAICSA 0794701)

AUDITORS

Messrs Hii & Lee
1st Floor, 53 Medan Sepadu
Jalan Abang Galau
97000 Bintulu, Sarawak
Tel: 086-333 328
Fax: 086-334 802

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad
The Pacific Bank Berhad
Standard Chartered Bank Malaysia Berhad
Perwira Affin Bank Berhad
HSBC Bank Malaysia Berhad

REGISTERED OFFICE

No. 177, 2nd Floor, Taman Sri Dagang
97000 Bintulu, Sarawak
Tel: 086-335 570
Fax: 086-330 866

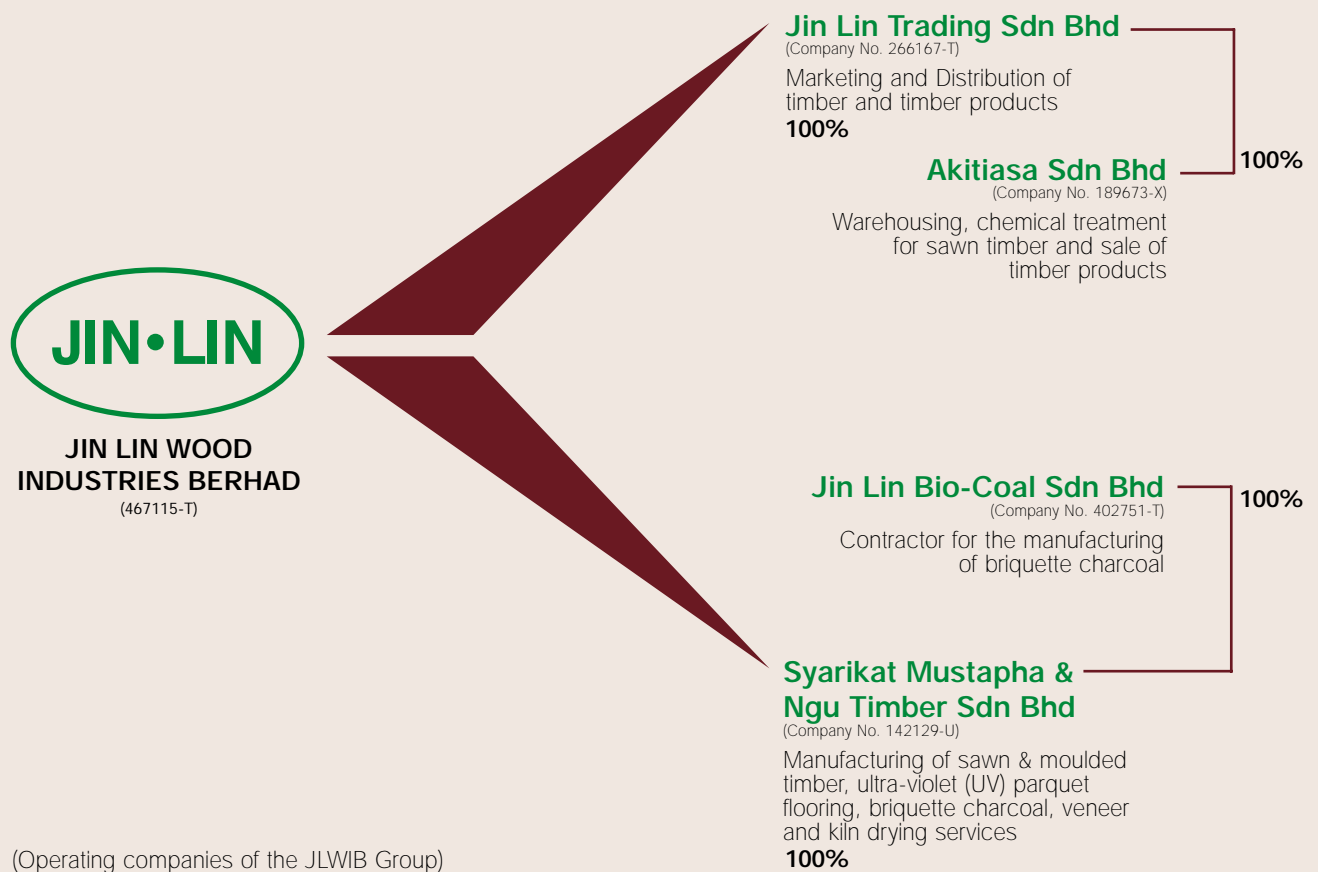
SHARE REGISTRAR

Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
P. O. Box 12547
50782 Kuala Lumpur
Tel: 03-245 4337
Fax: 03-242 1353

STOCK EXCHANGE LISTING

The Second Board of
Kuala Lumpur Stock Exchange

Corporate structure



Chairman's statement



Chieng Hie Kwong
Chairman

On behalf of the Board of Directors, it gives me great pleasure in presenting to you the Annual Report of your company for the financial year ended 30 June 2000.

Operations Review

The operations of the Group went on smoothly during the year and the Group did not experience any major hiccups in the manufacturing operations and logs supply. However, in order to compete in this ever increasing competitive timber industry, the Group has embarked on the following strategies and steps:-

1. to install one unit of 30 tons boiler and one unit of roller jet dryer to improve the efficiency and productivity of the company. Upon

completion in financial year 2001, this will increase the production of veneer by about 2,500 M3 per month or 120%. The cost of the capex is financed by the proceeds from the public issues.

2. to further enhance the quality of our products via the provision of training and more stringent internal quality controls.
3. constantly liaising with overseas buyers in carrying out market research for our products and the exploration of new markets.

In addition, although the Group has never experienced any shortage in logs supply, the Group is actively looking for opportunities such as acquiring some timber concessions to ensure a more secure access to logs supply at lower prices.

Review of Results

During the period under review, the Group registered a turnover of RM113.051 million representing a 40% increase over the proforma turnover of RM80.870 million over the same period last year. The Group maintained a profit after taxation of approximately RM12.358 million compared to the proforma results of RM12.457 last year. However, profit after tax between the two years are not directly comparable as tax was waived on profit made in the previous financial year.

As the subsidiaries of the Company were only acquired on 18 January 2000, approximately RM7.166 million of the profit is attributed to the period before the completion of the

acquisitions. As such, those profit after tax attributable to the period post acquisition amounts to RM5.193 million.

The consolidated post-acquisition profit after taxation of RM5.193 million is 11% lower than the forecast profit of RM5.866 as stated in the prospectus dated 18 February 2000. The lower than forecast profit is principally attributable to the higher raw material prices.

Corporate Developments

During the financial year, the Group had achieved a very important milestone with the



Chairman's statement (cont'd)

listing of the Company on the Second Board of the Kuala Lumpur Stock Exchange on 27 March 2000. This will allow the company to gain access to the capital market for future expansion of the company.

In conjunction with the listing exercise, the Company had successfully raised RM16.280 million in additional capital through a public issue of 7.4 million shares of RM1.00 each at RM2.20 per share.

The proceeds from the public issue have been principally utilized for working capital requirements as well as improvement and expansion of the manufacturing facilities. It is expected that the new investment will bear fruits starting from the financial year ending 30 June 2001.

Prospects

Barring any unforeseen circumstances, the Board is optimistic that the company will be able to achieve its profit

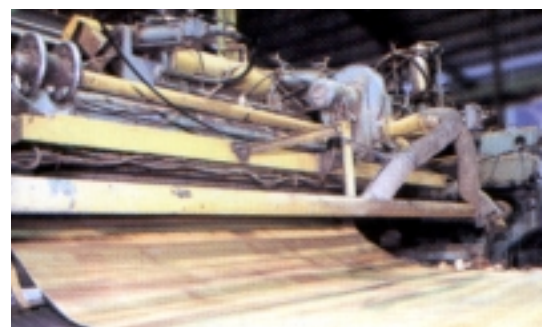
forecast for the year ending 30 June 2001. This is because the Group is in a good position to capitalise on the expected increase in demand (especially veneer) with the full commissioning of the new boiler and dryer. The expected increase in demand and productivity from the commissioning of the new machines would contribute positively to the Group's future bottom line.

Dividend

The Board of Directors has proposed a final dividend of 10% comprising 5% tax exempt and 5% less 28% Malaysian income tax in respect of the financial year ended 30 June 2000. The same is subject to the approval of the shareholders at the forthcoming Second Annual General Meeting of the Company.

Y2K Compliance

The business operations of the Group is Y2K compliant. The Group did not experience any disruptions related to the Y2K issue.



Appreciation

The Group owes its success to the dedication and commitment of its Management and staff. On behalf of the Board of Directors, I would like express my sincere thanks and appreciation to them and hope that they continue with the good work.

My appreciation also goes to our valued customers, lenders, suppliers and relevant Government authorities for their support and assistance. I also wish to thank our shareholders for their trust and confidence in the future of the Group.

Finally, I would like to extend my utmost appreciation to my fellow Board members for their contributions.

Chieng Hie Kwong
Chairman
Bintulu



Audit committee

TERMS OF REFERENCE

COMPOSITION OF THE AUDIT COMMITTEE

Pursuant to the Kuala Lumpur Stock Exchange (KLSE) Second Board Listing Requirements, an Audit Committee is required to be established by the Company. The Audit Committee shall be appointed by the Directors from among their number via a Directors' resolution and shall be composed of not fewer than three (3) members of whom a majority shall not be:-

- (i) Executive Directors of the Company or any related corporation; or
- (ii) a spouse, parent, brother, sister, son or adopted son or daughter or an Executive Director of the Company or any related corporation; or
- (iii) any person having a relationship which in the opinion of the Board of Directors would interfere with the exercise of independent judgement in carrying out the functions of an audit committee member.

The members of the Audit Committee shall elect a Chairman from amongst themselves who should be an independent non-Executive Director of the Company or any related corporation. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Director of the Company.

Where the members of the Audit Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Audit Committee of Jin Lin Wood Industries Berhad comprise the following:-

MEMBERS OF THE AUDIT COMMITTEE

Mohd Shukri Mohd Yunus *

(Chairman of the Audit Committee)

David Sengalang Anak Uyang *

Ko Kung Hai ^o

(Independent & non-executive Directors)*

(^o Non-Independent Managing Director)

SECRETARY OF THE AUDIT COMMITTEE

Gwee Ooi Teng

The quorum for meetings of Audit Committee shall be 2 members.

OBJECTIVES OF THE AUDIT COMMITTEE

It is the objective of the Audit Committee to assure the Shareholders of the Company that the Directors of the Company have complied with specified financial standards and required disclosure policies developed and administered by KLSE. In addition, the Audit Committee is also determined to ensure consistency with KLSE's commitment to encourage high standards of corporate disclosure. The Audit Committee will endeavour to adopt certain practices aimed at

maintaining appropriate standards of corporate responsibility, integrity and accountability to all the Company's Shareholders.

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee include:-

- (i) oversee all matters relating to external audit including the review of the audit plan and audit report and review of external auditors' management letter and management's responses.
- (ii) Oversee the internal audit department including the evaluation of the standards of internal control and financial reporting, review of internal audit programme and audit findings and management's responses.
- (iii) review of financial statements, focusing particularly on:-
 - any changes in accounting policies and practices;
 - significant adjustments arising from audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements.
- (iv) review of the assistance and co-operation given by the Company's officers to the external and internal auditors.
- (v) review any related party transactions that may arise within the Company or the Group and
- (vi) nominate external auditors for appointment.
- (vii) consider any other matters as may be agreed to by the Audit Committee and the Board of Directors.

POWERS OF THE AUDIT COMMITTEE

In carrying out their duties and responsibilities, the Audit Committee will in principal have full, free and unrestricted access to all Company's records, property and personnel and has explicit authority to investigate any matter within its terms of reference.

MEETINGS

The Audit Committee meets at least four (4) times a year although such additional meetings may be called at any time at the discretion of the Chairman.

The internal and/or external auditors have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee when required by the Audit Committee. Upon the request of the internal and/or external auditors, the Chairman of the Audit Committee shall also convene a meeting of the Audit Committee to consider any matters the internal and/or external auditors believe should be brought to the attention of the Audit Committee or the Board of Directors or the Shareholders.

The Audit Committee may obtain external advice and invite outsiders with relevant experience to attend any meeting of the Audit Committee, if necessary.

Financial statements

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Directors'

report

The directors have pleasure in submitting their report and the audited accounts of the Group and of the Company for the year ended 30th June, 2000.

PUBLIC LISTING

The Company was admitted to the official list of the Kuala Lumpur Stock Exchange Second Board on 27th March, 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to companies in the Group.

The principal activities of the subsidiaries are set out in Note 2 to the accounts. There have been no significant changes in these activities during the year.

FINANCIAL RESULTS

	<i>Group</i> <i>RM</i>	<i>Company</i> <i>RM</i>
Profit for the year after taxation	12,358,434	3,493,893
Less: Pre-acquisition profit	(7,165,861)	-
	5,192,573	3,493,893
Less: Dividend	(3,440,000)	(3,440,000)
Retained profits carried forward	1,752,573	53,893

DIVIDENDS

The directors propose a final dividend of 10% comprising 5% less tax and 5% tax exempt in respect of the financial year ended 30th June 2000 totalling RM3,440,000. The entitlement date to the proposed final dividend has not been fixed.

RESERVES AND PROVISIONS

Other than disclosed in the statement of changes in equity, there were no material transfers to or from reserves or provisions during the year.

DIRECTORS OF THE COMPANY

The directors who served since the date of last report are:-

Chieng Hie Kwong	(Appointed on 19.1.2000)
Ko Kung Hai	(Appointed on 19.1.2000)
Chan Lan Ngai	(Appointed on 19.1.2000)
Ibrahim Bin Hj Yusoff	(Appointed on 19.1.2000)
Aminodin Bin Ismail	(Appointed on 3.1.2000)
David Sengalang Anak Uyang	(Appointed on 3.1.2000)
Mohd. Shukri Bin Mohd. Yunus	(Appointed on 3.1.2000)
Ling Su Ngo	(Resigned on 19.1.2000)
Wong Lah Siang	(Resigned on 19.1.2000)

In accordance with Section 129(2) of the Companies Act, 1965, the office of Mr Chieng Hie Kwong, who is over the age of seventy years old, shall become vacant at the conclusion of the forthcoming Annual General Meeting. The Directors recommend his reappointment under Section 129(6) of the said Act.

Directors' report (cont'd)

In accordance with the Company's Articles of Association, except for the managing director, Mr. Ko Kung Hai, all the other directors retire from the board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The directors holding office at 30th June, 2000 and their interests in the share capital of the Company as recorded in the register of directors' shareholdings were as follows:-

	<i>Holdings registered in the name of directors as at</i>				<i>Other holdings in which directors are deemed to have an interest as at</i>			
	<i>1.7.1999</i>	<i>Bought</i>	<i>Sold</i>	<i>30.6.2000</i>	<i>1.7.1999</i>	<i>Bought</i>	<i>Sold</i>	<i>30.6.2000</i>
Chieng Hie Kwong	-	10,000	-	10,000	-	-	-	-
Ko Kung Hai	-	10,000	-	10,000	-	-	-	-
Chan Lan Ngai	-	10,000	(10,000)	-	-	-	-	-
Ibrahim Bin Hj Yusoff	-	10,000	(10,000)	-	-	8,476,000	(2,000,000)	6,476,000
Aminodin Bin Ismail	-	10,000	(10,000)	-	-	-	-	-
David Sengalang Anak Uyang	-	11,000	-	11,000	-	-	-	-
Mohd. Shukri Bin Mohd. Yunus	-	10,000	-	10,000	-	-	-	-

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit required to be disclosed by Section 169(8) of the Companies Act, 1965.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE CAPITAL

During the year, in connection with the floatation of the Company on the Second Board of the Kuala Lumpur Stock Exchange, the issued share capital of the Company was increased from RM2 to RM40,000,000 by:

- an issue of 32,599,998 new ordinary shares of RM1 each at an issue price of approximately RM1.53 per share for the acquisition of the entire issued and paid-up capital of Jin Lin Trading Sdn. Bhd. and Syarikat Mustapha & Ngu Timber Sdn. Bhd.
- a public issue of 7,400,000 new ordinary shares of RM1 each at an issue price of RM2.20 per share. The proceeds of the issue will be utilized for purchase of plant and machinery, for infrastructure and fencing, for listing expenses and for working capital requirements.

The newly issued shares rank pari passu in all respects with the previously issued shares.

BAD AND DOUBTFUL DEBTS

Before the profit and loss account and balance sheet of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and, the making of provisions for doubtful debts and that all known bad debts had been written off and adequate provision had been made for doubtful debts.

At the date of this report, the directors of the Company are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent.

Directors' report (cont'd)

CURRENT ASSETS

Before the profit and loss account and balance sheet of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the accounts of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CHARGES AND CONTINGENT LIABILITIES

Except as disclosed in the accounts:-

- i) no charge on the assets of the corporation in the Group and of the Company has arisen since the end of the financial year which secures the liabilities of any other person,
- ii) no contingent liability of the corporation in the Group and of the Company has arisen since the end of the financial year.

ABILITY TO MEET OBLIGATIONS

No contingent liability or other liability of the Group and the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the accounts of the Group and of the Company that would render any amount stated in the accounts misleading.

UNUSUAL ITEMS

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year were not, substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the accounts.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or of the Company for the current financial year.

SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the Company has provided corporate guarantees amounting to RM31.5 million for banking facilities afforded to the subsidiary companies.

Directors' report (cont'd)

AUDITORS

The auditors, Hii & Lee, Public Accountants, have indicated their willingness to continue in office.

On behalf of the Board,

KO KUNG HAI

Director

CHAN LAN NGAI

Director

Bintulu, Sarawak.
27 October 2000

Statement by directors

In the opinion of the directors, the accounts set out on pages 14 to 32 are drawn up in accordance with applicable approved accounting standards so as to exhibit a true and fair view of the state of affairs of the Group and of the Company as at 30th June, 2000 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the year then ended.

On behalf of the Board,

KO KUNG HAI
Director

CHAN LAN NGAI
Director

Bintulu, Sarawak.
27 October 2000

Statutory declaration

I, **KO KUNG HAI**, the director primarily responsible for the financial management of **JIN LIN WOOD INDUSTRIES BERHAD**, do solemnly and sincerely declare that the accounts set out on pages 14 to 32 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by)
the abovenamed **KO KUNG HAI** at)
BINTULU in the state of **SARAWAK**)
on 27 October 2000)

KO KUNG HAI

Before me
LINTON ALBERT
LLB. (Hons) (LOND)
ADVOCATE
Commissioner For Oaths
No.9 1st Floor, Law Gek Soon Road,
97000 Bintulu, Sarawak.

Report of the Auditors

to the members of Jin Lin Wood Industries Berhad

We have audited the accounts set out on pages 14 to 32. The preparation of the accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. Our audit includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the adequacy of the presentation of information in the accounts.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 30th June, 2000 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the year ended on that date;

and

- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

The accounts of the subsidiaries that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for these purposes.

Our audit reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Companies Act, 1965.

HII & LEE
NO.AF0123
Public Accountants

NGU WOO HIENG
1527/7/02(J)
Partner

Bintulu, Sarawak.
27 October 2000

Consolidated

balance sheet as at 30th June 2000

	Note	RM
PROPERTY, PLANT AND EQUIPMENT	3	79,438,934
CURRENT ASSETS		
Inventories	5	17,174,406
Trade debtors	6	21,554,684
Other debtors, deposits and prepayments		14,760,789
Fixed deposits with licensed banks	7	5,468,935
Cash and bank balances		3,790,403
		62,749,217
DEDUCT: CURRENT LIABILITIES		
Trade creditors		4,858,350
Other creditors, deposits and accruals		3,569,613
Hire purchase creditors due within 12 months	8	2,618,836
Amount owing to bankers, secured	9	34,813,172
Proposed final dividend		3,440,000
Taxation		2,347,497
		51,647,468
NET CURRENT ASSETS		11,101,749
		90,540,683
DEDUCT: DEFERRED LIABILITIES		
Hire purchase creditors	8	7,598,813
Term loans	9	9,457,806
Deferred taxation	10	14,300
		17,070,919
		73,469,764
FINANCED BY:		
SHARE CAPITAL		
Authorised		
100,000,000 ordinary shares of RM1 each	11	100,000,000
Issued and fully paid		
40,000,000 ordinary shares of RM1 each	11	40,000,000
SHARE PREMIUM RESERVE		24,551,330
CAPITAL RESERVE		7,165,861
RETAINED PROFITS		1,752,573
		73,469,764

The notes on pages 23 to 32 form an integral part of these accounts.

Consolidated

income statement for the year ended 30th June 2000

	Note	RM
Revenue	12	113,051,449
Cost of sales	13	(89,832,766)
Gross profit		23,218,683
Other operating income	14	716,310
Distribution costs	13	(2,956,670)
Administration expenses	13	(1,429,582)
Other operating expenses	13	(423,615)
Profit from operations	15	19,125,126
Finance cost	16	(5,592,705)
Profit before tax		13,532,421
Tax expenses	17	(1,173,987)
Profit after tax for the year		12,358,434
Less: Pre-acquisition profit		(7,165,861)
Net profit for the year		5,192,573
Basic earnings per share (sen)	18	30.16
Dividend per share		
- 5 sens less tax		3.6
- 5 sens tax exempt		5.0
		8.6

The notes on pages 23 to 32 form an integral part of these accounts.

Consolidated Statement

of changes in equity for the year ended 30th June 2000

	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Capital reserve</i>	<i>Retained profits</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Balance at 1st July 1999	2	-	-	-	2
Issue of share capital	39,999,998	26,120,461			66,120,459
Listing expenses		(1,569,131)			(1,569,131)
Acquisition of shares in subsidiary companies			7,165,861		7,165,861
Net profit for the year				5,192,573	5,192,573
Proposed final dividend					
- 5% less tax				(1,440,000)	(1,440,000)
- 5% tax exempt				(2,000,000)	(2,000,000)
Balance at 30th June 2000	40,000,000	24,551,330	7,165,861	1,752,573	73,469,764

The notes on pages 23 to 32 form an integral part of these accounts.

Consolidated Cash Flow

statement for the year ended 30th June 2000

CASH FLOWS FROM OPERATING ACTIVITIES	Note	RM
Profit before tax		5,509,851
Adjustment for:		
Depreciation of property, plant and equipment		1,991,969
Loss on disposal of property, plant and equipment		998
Preliminary expenses written off		2,800
Pre-operation expenses written off		525
Interest expenses		3,555,012
Interest income		(151,103)
Operating profit before working capital changes		10,910,052
Increase in inventories		(1,249,550)
Increase in debtors		3,794,097
Increase in creditors		(4,825,807)
Cash generated from operations		8,628,792
Interest received		151,103
Interest paid		(3,555,012)
Tax paid		(1,000,253)
Net cash provided by operating activities		4,224,630
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary companies, net of cash acquired	(A)	(4,756,952)
Purchase of property, plant and equipment		(3,588,552)
Incomplete capital expenditure paid - Plant and machinery		(7,264,851)
Proceeds from disposal of property, plant and equipment		520
Net cash used in investing activities		(15,609,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayment		(2,642,580)
Bank borrowings		1,923,206
Repayment of hire purchase creditors		(886,568)
Fixed deposits under lien with licensed banks		(1,119,349)
Proceeds from issuance of shares		16,280,000
Listing expenses paid		(1,569,131)
Net cash provided by financing activities		11,985,578
Net increase in cash and cash equivalents		600,373
Cash and cash equivalents at beginning of year		2
Cash and cash equivalents at end of year		600,375

Consolidated cash flow statement (cont'd)

RM

Cash and cash equivalents consist of:-

Fixed deposits with licensed banks (Note 7)	5,468,935
Cash and bank balances	3,790,403
Bank overdrafts (Note 9)	(3,190,028)

6,069,310

Less: Fixed deposits under lien with licensed banks (Note 7)	(5,468,935)
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600,375

Note A

During the year, the Company acquired subsidiary companies as disclosed in note 2 to the accounts. The fair value of the assets acquired and liabilities assumed were as follows:-

RM

Cash and bank balances	963,945
Bank overdrafts	(5,720,897)
Property, plant and equipment	70,579,018
Fixed deposits under lien with licensed banks	4,349,586
Inventories	15,924,856
Trade and other debtors	40,058,992
Trade and other creditors	(13,250,445)
Hire purchase creditors	(11,104,217)
Bank borrowings	(41,800,324)
Provision for taxation	(2,979,894)
Deferred taxation	(14,300)

57,006,320

Less: Reserve on consolidation	(7,165,861)
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Total purchase consideration	49,840,459
Amount discharged by shares	(49,840,459)

Cash flow on acquisition	-
Cash and cash equivalents of subsidiary companies acquired	
- Cash and bank balances	963,945
- Bank overdrafts	(5,720,897)

Net cash flow on acquisition	(4,756,952)
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The notes on pages 23 to 32 form an integral part of these accounts.

Balance sheet as at 30th June 2000

	Note	2000 RM	1999 RM
EXPENDITURE CARRIED FORWARD, at cost			
Preliminary expenses		-	2,800
Pre-operation expenses		-	525
		-	3,325
INVESTMENT IN SUBSIDIARY COMPANIES	2	49,840,459	-
RELATED COMPANIES	4	17,481,958	-
CURRENT ASSETS			
Deposit and prepayment		20,042	-
Fixed deposit with licensed bank	7	1,000,000	-
Cash and bank balances		1,173,403	2
		2,193,445	2
DEDUCT: CURRENT LIABILITIES			
Other creditors and accruals		1,470,639	3,325
Proposed final dividend		3,440,000	-
		4,910,639	3,325
NET CURRENT LIABILITIES		(2,717,194)	(3,323)
		64,605,223	2
FINANCED BY:			
SHARE CAPITAL			
Authorised			
100,000,000 (1999: 100,000) ordinary shares of RM1 each	11	100,000,000	100,000
Issued and fully paid			
40,000,000 (1999: 2) ordinary shares of RM1 each	11	40,000,000	2
SHARE PREMIUM RESERVE		24,551,330	-
RETAINED PROFITS		53,893	-
		64,605,223	2

The notes on pages 23 to 32 form an integral part of these accounts.

Income

statement for the year ended 30th June 2000

	<i>Note</i>	<i>RM</i>
Revenue	12	4,480,000
Other operating income	14	27,848
Administration expenses		(309,690)
Other operating expenses		(113,442)
Profit from operations	15	4,084,716
Finance cost	16	(2,823)
Profit before tax		4,081,893
Tax expenses	17	(588,000)
Profit after tax for the year		3,493,893
Dividend per share		
- 5 sens less tax		3.6
- 5 sens tax exempt		5.0
		8.6

The notes on pages 23 to 32 form an integral part of these accounts.

Statement of Changes

in equity for the year ended 30th June 2000

	<i>Share capital</i> RM	<i>Share premium reserve</i> RM	<i>Retained profits</i> RM	<i>Total</i> RM
Balance as at date of incorporation on 8th August 1998	2	-	-	2
Balance at 30th June 1999	2	-	-	2
Issue of share capital	39,999,998	26,120,461		66,120,459
Listing expenses		(1,569,131)		(1,569,131)
Net profit for the year			3,493,893	3,493,893
Proposed final dividend				
- 5% less tax			(1,440,000)	(1,440,000)
- 5% tax exempt			(2,000,000)	(2,000,000)
Balance at 30th June 2000	40,000,000	24,551,330	53,893	64,605,223

The notes on pages 23 to 32 form an integral part of these accounts.

Cash Flow

statement for the year ended 30th June 2000

	Y/E 30.6.2000	8.8.1998- 30.6.1999
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,081,893	-
Adjustment for:		
Preliminary expenses written off	2,800	-
Pre-operation expenses written off	525	-
Dividend income	(4,200,000)	-
Interest expenses	2,823	-
Interest income	(27,848)	-
Operating loss before working capital changes	(139,807)	-
Increase in debtors	(20,042)	-
Increase in creditors	1,467,314	3,325
Cash generated from operations	1,307,465	3,325
Interest received	27,848	-
Interest paid	(2,823)	-
Net cash provided by operating activities	1,332,490	3,325
CASH FLOWS FROM INVESTING ACTIVITIES		
Net advances to subsidiary companies	(17,481,958)	-
Dividend received	3,612,000	-
Payment for pre-operation expenses	-	(525)
Payment for pre-preliminary expenses	-	(2,800)
Net cash used in investing activities	(13,869,958)	(3,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposit under lien with licensed bank	(1,000,000)	-
Proceeds from issuance of shares	16,280,000	2
Listing expenses paid	(1,569,131)	-
Net cash provided by financing activities	13,710,869	2
Net increase in cash and cash equivalents	1,173,401	2
Cash and cash equivalents at beginning of year	2	-
Cash and cash equivalents at end of year	1,173,403	2
Cash and cash equivalents consist of:-		
Fixed deposit with licensed bank (Note 7)	1,000,000	-
Cash and bank balances	1,173,403	2
	2,173,403	2
Less: Fixed deposit under lien with licensed bank (Note 7)	(1,000,000)	-
	1,173,403	2

The notes on pages 23 to 32 form an integral part of these accounts.

Notes to and forming part of the accounts for the year ended 30th June 2000

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of accounting

The accounts of the Group and of the Company have been prepared in accordance with approved accounting standards adopted by the Malaysian Accounting Standards Board.

1.2. Basis of consolidation

The Group accounts incorporate the accounts of the Company and all its subsidiary companies for the year ended 30th June 2000. All intragroup transactions are eliminated on consolidation. The subsidiary companies are consolidated based on the acquisition method of accounting.

The difference between the purchase price and the value of the net tangible assets of subsidiary companies at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

1.3. Subsidiary companies

Investment in subsidiary companies are stated at cost less any diminution in value.

1.4. Basis of accounting

Property, plant and equipment are stated at cost/valuation less accumulated depreciation.

Freehold land is not depreciated. Depreciation of property, plant and equipment are calculated on the straight-line basis to write off the cost/valuation over their estimated useful lives which are as follows:-

Leasehold land	14 to 60 years
Building	10 to 50 years
Office renovation	10 years
Plant and machinery	5 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	10 years

1.5. Inventories

Inventories are stated at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for any obsolete and damage items. Cost of manufactured goods, includes where appropriate, cost of direct materials, direct labour charges and production overheads determined on a weighted average basis.

1.6. Currency conversion

Transaction during the year in currencies other than Ringgit Malaysia have been converted at the rates of exchange prevailing at the transaction dates. Assets and liabilities in foreign currencies at balance sheet date have been translated into Ringgit Malaysia at rates of exchange approximate those ruling at that date. Gain or loss in exchange arising therefrom is dealt with through the income statement.

Notes (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

1.7. Deferred taxation

Provision is made by the liability method for taxation deferred in respect of all timing differences except where it is reasonably expected that the tax effects of such deferrals will continue in the foreseeable future.

1.8. Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances (including bank overdraft), demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.9. Operating leases

Lease payments under operating leases are recognised as expenses in the income statement as incurred.

2. SUBSIDIARY COMPANIES

	<i>Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Unquoted shares, at cost	49,840,459	-

The subsidiary companies (all incorporated in Malaysia) are:-

<i>Subsidiary companies</i>	<i>Principal activities</i>	<i>Group equity interest %</i>
Jin Lin Trading Sdn. Bhd.	Marketing and distributing of timber and timber related products	100
Syarikat Mustapha & Ngu Timber Sdn. Bhd.	Timber processing, manufacturing and sale of timber products	100
Akitiasa Sdn. Bhd.	Warehousing, chemical treatment of sawn timber and trading of timber products	100
Jin Lin Bio-Coal Sdn. Bhd.	Charcoal briquettes production contract works	100

Notes (cont'd)

3.	PROPERTY, PLANT AND EQUIPMENT	Group - Cost/valuation	Freehold land	Long leasehold land	Short leasehold land	Buildings	Office renovation	Plant and machinery	Motor vehicles	Furniture, fittings & equipment	Incomplete capital expenditure	2000 Total
			RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
	Acquisition of subsidiary companies	11,516,720	932,000	2,574,753	21,216,473	201,278	28,948,826	1,070,738	1,357,359	12,918,284	80,736,431	
	Addition	-	-	-	3,194,254	-	281,618	71,300	41,380	7,264,851	10,853,403	
	Reclassification	-	-	-	-	-	3,188,589	-	-	(3,188,589)	-	
	Disposal	-	-	-	-	-	-	-	(1,747)	-	(1,747)	
	At 30th June	11,516,720	932,000	2,574,753	24,410,727	201,278	32,419,033	1,142,038	1,396,992	16,994,546	91,588,087	
	Accumulated depreciation											
	Acquisition of subsidiary companies	-	9,954	28,930	1,932,799	85,851	6,954,745	859,557	285,577	-	10,157,413	
	Charge for the year	-	12,239	94,949	277,284	9,124	1,448,236	71,146	78,991	-	1,991,969	
	Retirement	-	-	-	-	-	-	-	(229)	-	(229)	
	At 30th June	-	22,193	123,879	2,210,083	94,975	8,402,981	930,703	364,339	-	12,149,153	
	Net book value											
	At 30th June	11,516,720	909,807	2,450,874	22,200,644	106,303	24,016,052	211,335	1,032,653	16,994,546	79,438,934	
	Group											
	Cost	-	-	-	22,674,727	201,278	32,419,033	1,142,038	1,396,992	16,994,546	74,828,614	
	Valuation in 1999	11,516,720	932,000	2,574,753	1,736,000	-	-	-	-	-	16,759,473	
		11,516,720	932,000	2,574,753	24,410,727	201,278	32,419,033	1,142,038	1,396,992	16,994,546	91,588,087	

Notes (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The cost and net book value of property, plant and equipment of the Group held under hire purchase arrangement are as follows:-

	<i>2000</i>	
	<i>Cost</i>	<i>Net book value</i>
Group	RM	RM
Plant and machinery	16,384,659	10,811,999
Motor vehicles	148,100	79,530
Incomplete capital expenditure - Plant and machinery	11,525,442	11,525,442

The carrying amount of each class of revalued property that would have been included in the accounts had the assets been carried at cost less depreciation is as follows:-

	<i>Group 2000</i>
Revalued property	RM
Freehold land	2,552,737
Long leasehold land	327,121
Short leasehold land	319,999
Building	930,707
	4,130,564

The landed properties of the subsidiary companies have been revalued by the directors based on independent valuation reports dated 4 November 1998 and 1 December 1998 carried out by CH Williams Talhar Wong & Yeo Sdn. Bhd., a firm of professional valuers and surveyors using the open market value basis. The total revaluation surplus of RM12,367,217 as approved by the Securities Commission for the revaluation of landed properties of the subsidiary companies have been credited to revaluation reserve accounts of the subsidiary companies.

4. RELATED COMPANIES

	<i>Company</i>	
	<i>2000</i>	<i>1999</i>
	RM	RM
Amount owing by subsidiary companies	24,284,163	-
Amount owing to subsidiary companies	(6,802,205)	-
	17,481,958	-

The above amounts owing by or to subsidiary companies are unsecured, interest free and with no fixed term of repayments.

Notes (cont'd)

5. INVENTORIES

	<i>Group 2000</i>
At cost	RM
Land and building for resale	631,255
Logs	2,163,069
Veneer	2,640,721
Sawn timber	6,708,676
Moulded timber	4,830,372
Parquet	45,225
Charcoal briquette	155,088
	17,174,406

Land and building for resale belonging to one of the subsidiary companies have yet to be registered in the name of the subsidiary company.

6. TRADE DEBTORS

Included in trade debtors of the Group are RM7,449,157 advanced to suppliers for supply of logs to the Group.

7. FIXED DEPOSITS WITH LICENSED BANKS

All the fixed deposits are placed on lien with licensed banks as security for banking facilities and bank guarantees granted to the Group.

8. HIRE PURCHASE CREDITORS

The hire purchase commitments of the Group are as follows:-

	<i>Group 2000</i>
	RM
Payable not later than one year	4,107,397
Payable later than one year and not later than five years	9,739,924
Payable later than five years and not later than eight years	2,479,538
	16,326,859
Less: Finance charges	6,109,210
Hire purchase creditors	10,217,649
Less: Disclosed as current liabilities	2,618,836
Long-term liabilities	7,598,813

Notes (cont'd)

9. AMOUNT OWING TO BANKERS, secured

	<i>Group 2000 RM</i>
Pre-shipment advances	2,554,688
Trust receipt	3,175,497
Bank overdrafts	3,190,028
Bankers' acceptance	22,236,000
Term loans	13,114,765
	44,270,978
- Term loans repayable after 12 months	(9,457,806)
	34,813,172

The bank borrowings bear interest at rates ranging from 8.3% to 11.5% per annum.

The above banking facilities are secured by:-

- (a) First legal charges over the landed properties of subsidiary companies.
- (b) Debentures incorporating a fixed and floating charge over all the assets of subsidiary companies.
- (c) Corporate guarantee from a corporate shareholder of the Company.
- (d) Guarantees from certain directors of the Company.
- (e) Lien over fixed deposits accounts of the Company and subsidiary companies as disclosed in the note 7 to the accounts.

10. DEFERRED TAXATION

	<i>Group 2000 RM</i>
Excess of capital allowance over depreciation of property, plant and equipment	51,071
Deferred taxation provided in the accounts at 28%	(14,300)

The estimated deferred taxation benefits of a subsidiary company calculated under the liability method are set out below:-

	<i>Group 2000 RM</i>
Excess of capital allowance over depreciation of property, plant and equipment	4,973,264
Unabsorbed reinvestment allowance	(5,512,843)
	(539,579)
Deferred taxation benefits at 28% not recognised in the accounts	151,082

Notes (cont'd)

11. SHARE CAPITAL

Authorised capital

During the year, the authorised capital of the Company was increased from RM100,000 to RM100,000,000 by the creation of 99,900,000 ordinary shares of RM1 each to rank pari passu with the existing shares.

Issued capital

During the year, the issued share capital of the Company was also increased from RM2 to RM40,000,000 by:

- an issue of 32,599,998 new ordinary shares of RM1 each at an issue price of approximately RM1.53 per share for the acquisition of the entire issued and paid-up capital of Jin Lin Trading Sdn. Bhd. and Syarikat Mustapha & Ngu Timber Sdn. Bhd.
- a public issue of 7,400,000 new ordinary shares of RM1 each at an issue price of RM2.20 per share. The proceeds of the issue will be utilized for purchase of plant and machinery, for infrastructure and fencing, for listing expenses and for working capital requirements.

The newly issued shares rank pari passu in all respects with the previously issued shares.

12. REVENUE

Revenue of the Group in respect of the pre and post-acquisition periods comprises the followings:-

	<i>Pre- acquisition RM</i>	<i>Post- acquisition RM</i>	<i>Total RM</i>
Sale of timber and timber related products	58,444,317	54,230,522	112,674,839
Services rendered	107,140	269,470	376,610
	58,551,457	54,499,992	113,051,449

Revenue of the Company comprises the followings:-

	<i>RM</i>
Management fee	280,000
Gross dividends from unquoted subsidiary companies	4,200,000
	4,480,000

13. OPERATING EXPENSES

The operating expenses of the Group in respect of the pre and post-acquisition periods are as follows:-

	<i>Pre- acquisition RM</i>	<i>Post- acquisition RM</i>	<i>Total RM</i>
Cost of sales	46,574,811	43,257,955	89,832,766
Distribution costs	1,508,584	1,448,086	2,956,670
Administration expenses	516,540	913,042	1,429,582
Other operating expenses	169,102	254,513	423,615

Notes (cont'd)

14. OTHER OPERATING INCOME

	<i>Pre- acquisition RM</i>	<i>Post- acquisition RM</i>	<i>Total RM</i>
Group			
Other operating income of the Group consist of:-			
Interest income	93,377	151,103	244,480
Rental and sundry income	117,535	288,362	405,897
Gain/(loss) on disposal of property, plant and equipment	66,931	(998)	65,933
	277,843	438,467	716,310

Company

Other operating income of the Company consist of interest income.

15. PROFIT FROM OPERATIONS

	<i>Group Pre- acquisition RM</i>	<i>Post- acquisition RM</i>	<i>Company Total RM</i>
a) Profit from operations has been arrived at after charging:-			
Auditors' remuneration			
- statutory	-	49,000	10,000
- others	18,600	-	-
Directors' fee	-	90,000	90,000
Depreciation of property, plant and equipment	2,246,112	1,991,969	-
Lease rental	-	134,400	-
Management fee	14,700	-	-
Rent of land and building	73,090	18,010	-
Pre-operation expenses written off	-	525	525
Preliminary expenses written off	-	2,800	2,800
Staff costs			
- directors' emolument other than fees	116,387	195,613	180,000
- others	2,214,552	2,603,170	103,896

b) Employee information

The total number of employees of the Group and of the Company at the end of the financial year were 606 and 8 respectively.

16. FINANCE COST

	<i>Pre- acquisition RM</i>	<i>Post- acquisition RM</i>	<i>Total RM</i>
Group			
Interest expenses:-			
- Bank overdrafts	123,412	203,014	326,426
- Hire purchase	658,923	1,636,370	2,295,293
- Term loans	598,462	911,678	1,510,140
- Trade financing facilities	656,896	803,950	1,460,846
	2,037,693	3,555,012	5,592,705
Company			
Bank overdraft interest			2,823

Notes (cont'd)

17. TAX EXPENSES

Group	Pre- acquisition RM	Post- acquisition RM	Total RM
Malaysian income tax			
- current year	472,022	317,278	789,300
- underprovision for previous year	384,687	-	384,687
	856,709	317,278	1,173,987

The effective tax rate of the Group is lower than the statutory tax rate because of the utilization of reinvestment allowance by one of the subsidiary companies. Subject to agreement with Inland Revenue Board, one of the subsidiary companies has unabsorbed reinvestment allowance carried forward of approximately RM5,512,843.

Company	RM
Malaysian income tax	
- current year	588,000

The effective tax rate of the Company is lower than the statutory tax rate because of tax exempt dividend income.

Subject to agreement with Inland Revenue Board,

- the Company has unabsorbed tax loss carried forward of approximately RM96,000.
- the Company has sufficient tax exempt account and tax credit under Section 108 of the Income Tax Act 1967 to frank all its retained profits as dividend without incurring additional tax liability.

18. BASIC EARNINGS PER SHARE

The basic earnings per share of the Group have been calculated by dividing the Group's profit after taxation of RM5,192,573 by the weighted average of 17,214,796 ordinary shares in issue during the year.

19. CAPITAL COMMITMENTS

	Group 2000 RM	Company 2000 RM	1999 RM
Contractual capital commitment for which no provision has been made in the accounts	650,942	368,000	-

20. CONTINGENT LIABILITIES

	Company 2000 RM	1999 RM
Unsecured		
- corporate guarantees for banking facilities afforded to subsidiary companies	7,000,000	-

Notes (cont'd)

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

a) Transactions between the Company and its subsidiary companies

	<i>Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Management fee received from subsidiary companies	280,000	-
Gross dividends from subsidiary companies	4,200,000	-

b) Significant transactions during the year with companies connected with certain substantial shareholders and/or directors of the Company:-

<i>Group</i>	<i>Pre-acquisition</i>	<i>Post-acquisition</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
Nature of transactions			
Sale of logs and sawn timber	(4,479,350)	(956,725)	(5,436,075)
Purchase of logs and sawn timber	3,030,543	951,982	3,982,525
Construction of building and infrastructure - earthworks and supply of materials	1,734,945	2,568,973	4,303,918
Purchase of spare parts and consumables	601,558	643,108	1,244,666
Rent of premises	9,600	2,700	12,300
Management fee	14,700	-	14,700
Accounts balance at year end			
Amounts owing to these companies			1,627,597

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business on commercial terms.

22. SEGMENT ANALYSIS

No segment analysis is prepared as the Group's operation is solely located in Malaysia and is primarily engaged in the production and sale of timber products.

23. SUBSEQUENT EVENTS

Subsequent to balance sheet date, the Company has provided corporate guarantees amounting to RM31.5 million for banking facilities afforded to the subsidiary companies.

24. COMPARATIVE FIGURES

As the financial statements of the Group and the income statement of the Company are drawn up for the first time, no comparative figures have been presented.

List of all properties held as at 30 June 2000

List of all properties owned by the JLWIB Group is set out below:

<i>Title/ Location</i>	<i>Description and Current Use</i>	<i>Year Built</i>	<i>Tenure</i>	<i>Land Area</i>	<i>Net Book Value (RM)</i>
Under SMNT: (a) Lot 543, Block 22 Buan Land District Tatau, Bintulu	Sawmill situated in open-sided timber and steel structures	1994	Freehold	1.08 hectares	510,495.00
(b) Tatau Lease 5504, Tatau, Bintulu and;	Vacant Land	n.a	Leasehold/ to expire on 31.12.2010	2,064 sq. mt	25,509.00
(c) Amalgamated lots 64, 72, 184, 211,216,252,231, 545,547 and 213 Buan Land District Tatau, Bintulu**	Single storey wooden terrace staff quarters (Lot 64)	1998	Leasehold/ to expire on 31.12.2023	2.08 hectares	688,235.00
	Vacant Land (Lot 72)	n.a	Leasehold/ to expire on 31.12.2023	5.25 hectares	1,737,130.00
	3 pitched roof single storey, steel open-sided structure veneer factory with concrete floor slabs (Lot 184)	1997	Freehold	3.01 hectares	1,422,770.00
	Single storey, high pitched roofing, steel open structures warehouse with concrete floor slabs (Lot 211)	1997	Freehold	1.54 hectares	727,925.00
	Logyard (Lot 216)	n.a	Freehold	1.49 hectares	704,295.00
	Logyard (Lot 252)	n.a	Freehold	5,747 sq. mt	271,655.00
	General Moulding Factory (Lot 231)	1991	Freehold	1.62 hectares	765,740.00
	Sawmill, warehouse and general moulding factory (Lot 545)	1991	Freehold	2.72 hectares	1,285,690.00

List of all properties held (cont'd)

<i>Title/ Location</i>	<i>Description and Current Use</i>	<i>Year Built</i>	<i>Tenure</i>	<i>Land Area</i>	<i>Net Book Value (RM)</i>
	Single storey, high pitched roofing, open structured charcoal and fingerjoint and lamination factories with concrete floor slabs (Lot 547)	1997	Freehold	5.65 hectares	2,670,645.00
	Doubled storey wooden quarters and canteen within integrated wood processing factory (Lot 213)	1998	Freehold	6.68 hectares	3,157,505.00
Subtotal (SMNT)					13,967,594.00
Under ASB: Lot 2605, Block 32, Kemena Land District, Bintulu	Doubled pitched single storey warehouse and chemical treatment plant building	1995	Leasehold/ to expire on 17.07.2056	1.4 hectares	909,807.00
TOTAL					14,877,401.00

Note:

** JLWIB's application for the amalgamation and variation of title condition from "agricultural" to "industrial" purpose pertaining to the said individual titles have been approved by the State Planning Authority of Sarawak. JLWIB is presently awaiting for the Land & Survey Department to carry out the premium assessment for the same.

Statistics on Shareholdings

as per the Record of Depositors as at 23 October 2000

Authorised Share Capital	: RM100,000,000
Issued and Fully Paid-up	: RM40,000,000
Class of Shares	: Ordinary Shares of RM1.00 Each
No. of Shareholders	: 5,449
Voting Rights	: 1 Vote Per Ordinary Share

Category by Size	No. of Shareholders	%	No. of Shares	%
1 - 1,000	3,741	68.66	3,738,461	9.34
1,001 - 5,000	1,296	23.78	3,693,000	9.24
5,001 - 10,000	254	4.66	2,074,000	5.19
10,001 and above	158	2.90	30,494,539	76.24
Total	5,449	100	40,000,000	100

DIRECTORS' INTEREST IN THE SHARE CAPITAL

as at 21 July 2000

Directors	Direct	Indirect
Chieng Hie Kwong	10,000	-
Ko Kung Hai	10,000	-
Ibrahim Hj Bin Yusoff	-	^{*1} 6,476,000
Aminodin Bin Ismail	-	-
Mohd Shukri Bin Mohd Yunus	10,000	-
David Sengalang Anak Uyang	11,000	-
Chan Lan Ngai	-	-

^{*1} Deemed interested by virtue of his direct substantial interest in Ideal Destiny Sdn Bhd which in turn has a substantial interest in Jin Lin Wood Industries Berhad.

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders as at 23 October 2000

No.	Shareholder	Direct	%	No. of Shares Held	Indirect	%
1.	Ideal Destiny Sdn Bhd	6,476,000	16.19	-	-	-
2.	Ibrahim Bin Hj Yusoff	-	-	^{*1} 6,476,000	16.19	-
3.	Jarenang Sdn Bhd	1,541,476	3.85	-	-	-
4.	Empiang Ak Antak	-	-	^{*2} 1,541,476	3.85	-
5.	Gerald Rentap Jabu	-	-	^{*3} 1,541,476	3.85	-
6.	Jin Lin Credit & Development Berhad	1,973,541	4.93	-	-	-
7.	Jin Lin Organisation Sdn Bhd	11,855,650	29.64	^{*4} 1,973,541	4.93	-
8.	Seladang Grand Corporation Sdn Bhd	2,354,089	5.89	-	-	-
9.	Jailany Bin Jaafar	-	-	^{*5} 2,354,089	5.89	-
10.	Long Md Nor Amran	-	-	^{*6} 2,354,089	5.89	-
11.	CIMB Nominees (Tempatan) Sdn Bhd Jin Lin Organisation Sdn Bhd	-	-	^{*7} 5,898,534	14.75	-
12.	OSK Nominees (Tempatan) Sdn Bhd Jin Lin Organisation Sdn Bhd	-	-	-	-	-
	Various denominations held for various beneficial owners each of which is less than 2%	-	-	5,957,116	-	-
		-	-	63,000	^{*7} 6,020,116	15.05

^{*1} Deemed interested by virtue of his direct substantial interest in Ideal Destiny Sdn Bhd which in turn has a substantial interest in Jin Lin Wood Industries Berhad

^{*2} Deemed interested by virtue of his direct substantial interest in Jarenang Sdn Bhd which in turn has a substantial interest in Jin Lin Wood Industries Berhad.

^{*3} Deemed interested by virtue of his direct substantial interest in Jarenang Sdn Bhd which in turn has a substantial interest in Jin Lin Wood Industries Berhad.

^{*4} Deemed interested by virtue of its direct substantial interest in Jin Lin Credit & Development Berhad which in turn has a substantial interest in Jin Lin Wood Industries Berhad.

^{*5} Deemed interested by virtue of his direct substantial interest in Seladang Grand Corporation Sdn Bhd which in turn has a substantial interest in Jin Lin Wood Industries Berhad.

^{*6} Deemed interested by virtue of his direct substantial interest in Seladang Grand Corporation Sdn Bhd which in turn has a substantial interest in Jin Lin Wood Industries Berhad

^{*7} Bare Trustee

Statistics on shareholdings (cont'd)

20 LARGEST SHAREHOLDERS

As per the Record of Depositors as at 23 October 2000

No.	Shareholder	Shareholdings	%
1.	Ideal Destiny Sdn Bhd	6,476,000	16.19
2.	OSK Nominees (Tempatan) Sdn Bhd <i>OSK Capital Sdn Bhd for Jin Lin Organisation Sdn Bhd</i> <i>Various denominations held for various beneficial</i> <i>owners each of which is less than 2%</i>	5,957,116 <u>63,000</u>	15.05
3.	CIMB Nominees (Tempatan) Sdn Bhd <i>Jin Lin Organisation Sdn Bhd</i>	5,898,534	14.75
4.	Seladang Grand Corporation Sdn Bhd	2,354,089	5.89
5.	Jin Lin Credit & Development Berhad	1,973,541	4.93
6.	Jarenang Sdn Bhd	1,541,476	3.85
7.	Penta Jaya Sdn Bhd	621,000	1.55
8.	Super Solid Sdn Bhd	400,000	1.00
9.	Nik Kamarudddin Bin Ismail	327,377	0.82
10.	Koh Yoke Chai	308,000	0.77
11.	Alliedban Nominees (Tempatan) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	234,000	0.59
12.	Straits Nominees (Asing) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	231,681	0.58
13.	Tie Mee Leng	212,681	0.53
14.	TA Nominees (Tempatan) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	211,000	0.53
15.	Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	200,000	0.50
16.	Seng Kin Sdn Bhd	181,681	0.45
17.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	155,000	0.39
18.	Amsteel Equity Nominees (Tempatan) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	145,000	0.36
19.	Tiong Sing Ngiu	131,000	0.33
20.	Wah Tat Nominees (Tempatan) Sdn Bhd <i>Various denominations held for various</i> <i>beneficial owners each of which is less than 2%</i>	122,841	0.31
Total		27,745,017	69.36

Notice of the Second Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the Company will be held at Niah Ballroom, Plaza Hotel, No.116, Taman Sri Dagang, Jalan Abang Galau, 97000 Bintulu, Sarawak on Friday, 8 December 2000 at 11.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Accounts of the Company for the year ended 30 June 2000 together with the Directors' and Auditors' reports therein. *Ordinary Resolution 1*
2. To approve the payment of a final dividend of 10% comprising 5% tax exempt and 5% less 28% Malaysian income tax for the year ended 30 June 2000. *Ordinary Resolution 2*
3. To approve the Directors' fees for non-executive Directors for the year ended 30 June 2000. *Ordinary Resolution 3*
4. To re-elect the following Directors retiring in accordance with Article 96 of the Company's Articles of Association and being eligible, they offer themselves for re-election:-
 - (i) Ibrahim Bin Hj Yusoff *Ordinary Resolution 4*
 - (ii) Mohd Shukri Bin Mohd Yunus *Ordinary Resolution 5*
 - (iii) Aminodin Bin Ismail *Ordinary Resolution 6*
 - (iv) Chan Ngai Lan *Ordinary Resolution 7*
 - (v) David Sengalang Anak Uyang *Ordinary Resolution 8*
5. To reappoint Chieng Hie Kwong who is over the age of seventy years, as a Director of the Company to continue to hold office until the next annual general meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. *Ordinary Resolution 9*
6. To consider and, if thought fit, pass the following ordinary resolution:-

"That Messrs Ernst & Young be and are hereby appointed Auditors of Jin Lin Wood Industries Berhad in place of Messrs Hii & Lee to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Directors."

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A", has been received by the Company for the nomination of Messrs Ernst & Young, who have given their consent to act, for appointment as Auditors. *Ordinary Resolution 10*

As Special Business

To consider and, if thought fit, to pass the following resolution:-

7. To empower the Directors, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company. *Ordinary Resolution 11*

Notice of the second annual general meeting (cont'd)

8. To transact any other business for which due Notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders, the final dividend of 10% comprising 5% tax exempt and 5% less 28% Malaysian income tax for the year ended 30 June 2000 will be paid on 15 January 2001 to Shareholders whose names appear in the Record of Depositors at the close business at 5.00 p.m. on 22 December 2000.

A depositor shall qualify for entitlement only in respect of:-

- a) shares transferred to the depositor's securities account before 12.30 p.m. on 22 December 2000 in respect of ordinary transfers;
- b) shares bought on Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order Of The Board

GWEE OOI TENG
(MAICSA 0794701)
Company Secretary

Bintulu, Sarawak
20 November 2000

Note 1

A member of the Company who is entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on a show of hands or on a poll in his stead. A proxy may but need not be a member of the Company.

In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of some officer of the corporation duly authorised in that behalf.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

The instrument appointing a proxy must be deposited at the Company's Registered Office situated at No. 177, 2nd Floor, Taman Sri Dagang, 97000 Bintulu, Sarawak, not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Note 2

Resolution pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution 11, if passed, would enable the Directors to issue up to a maximum of 10% of the issued and paid up share capital of the Company as at the date of this Annual General Meeting for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next annual general meeting.

Notice of nomination of auditors

IDEAL DESTINY SDN BHD
(Company No: 440698-A)

Annexure A to the Notice of Annual General Meeting

2 November 2000

The Board of Directors
JIN LIN WOOD INDUSTRIES BERHAD
No. 177, 2nd Floor
Taman Sri Dagang
97000 Bintulu
Sarawak

Dear Sirs

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, we, Ideal Destiny Sdn Bhd, being a shareholder of Jin Lin Wood Industries Berhad, hereby give notice of our intention to nominate Messrs Ernst & Young, Public Accountants, of 1st Floor, No. 115, Lot 3401 Parkcity Commerce Square, Jalan Tun Ahmad Zaidi, P.O. Box 421, 97008 Bintulu, Sarawak for appointment as Auditors of Jin Lin Wood Industries Berhad, to replace Messrs Hii & Lee, and to propose the following as an ordinary resolution to be tabled at the forthcoming annual general meeting of Jin Lin Wood Industries Berhad.

"That Messrs Ernst & Young be and are hereby appointed Auditors of Jin Lin Wood Industries Berhad in place of Messrs Hii & Lee to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Directors."

Yours faithfully
for and on behalf of
IDEAL DESTINY SDN BHD

Ibrahim Bin Hj Yusoff
Director

Proxy form



JIN LIN WOOD INDUSTRIES BERHAD
(Company No: 467115-T)

NO. OF SHARES HELD

I/We, _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

being a member/members of Jin Lin Wood Industries Berhad, hereby appoint _____

(FULL NAME)

of _____
(ADDRESS)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Second (2nd) Annual General Meeting of the Company to be held at Niah Ballroom, Plaza Hotel, No. 116, Taman Sri Dayang, Jalan Dagang, Jalan Abang Galau, 97000 Bintulu, Sarawak on Friday, 8 December, 2000 at 11.00 a.m. or at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

RESOLUTION		FOR	AGAINST
Ordinary Resolution 1	Adoption of Accounts and Reports		
Ordinary Resolution 2	Approval of Payment of Dividend		
Ordinary Resolution 3	Approval of Payment of Directors' Fees		
Ordinary Resolution 4	Re-election of Director		
Ordinary Resolution 5	Re-election of Director		
Ordinary Resolution 6	Re-election of Director		
Ordinary Resolution 7	Re-election of Director		
Ordinary Resolution 8	Re-election of Director		
Ordinary Resolution 9	Re-appointment of Director		
Ordinary Resolution 10	Appointment of Auditors		
Ordinary Resolution 11	Authority to the Directors under Section 132D of the Companies Act, 1965 to allot and issue shares in the Company		

Please indicate with an "X" how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain at his/her discretion

Dated this _____ day of _____ 2000

Signature/Common Seal of Shareholder(s)

Note

A member of the Company who is entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on a show of hands or on a poll in his stead. A proxy need not be a member of the Company.

In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer of the corporation duly authorised in that behalf.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.

The instrument appointing a proxy must be deposited at the Company's Registered Office situated at No. 177, 2nd Floor, Taman Sri Dagang, 97000 Bintulu, Sarawak, not less than forty eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

Please fold here

STAMP

The Company Secretary
JIN LIN WOOD INDUSTRIES BERHAD (467115-T)
No. 177, 2nd Floor, Taman Sri Dagang,
97000 Bintulu, Sarawak.

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