

**JIANKUN INTERNATIONAL BERHAD**  
**(formerly known as NAGAMAS INTERNATIONAL BERHAD)**  
**(111365-U)**  
**(Incorporated in Malaysia)**

**Interim Financial Report**  
**31-Mar-14**

**JIANKUN INTERNATIONAL BERHAD**  
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**(111365-U)**  
**(Incorporated in Malaysia)**

**Interim Financial Report**

**31-Mar-14**

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**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
(formerly known as NAGAMAS INTERNATIONAL BERHAD)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
- For the period ended 31 March 2014

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To date	To date
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	722	2,264	722	2,264
Cost of Sales	(581)	(1,101)	(581)	(1,101)
<b>Operating profit</b>	141	1,163	141	1,163
Revaluation of Investment Properties	-	-	-	-
Other Income	1	3	1	3
Administration and general expenses	(918)	(821)	(918)	(821)
Finance costs	(21)	(45)	(21)	(45)
<b>Profit /(loss) before taxation</b>	(797)	300	(797)	300
<b>Taxation</b>	-	-	-	-
<b>Net profit/(loss) for the period</b>	(797)	300	(797)	300
<b>Other comprehensive income after tax:</b>				
Net currency translation differences	26	-	26	-
<b>Other comprehensive income for the period, net of tax</b>	26	-	26	-
<b>Total comprehensive income for the period</b>	(771)	300	(771)	300
<b>Net profit/(loss) attributable to:</b>				
- Owners of the parent	(797)	300	(797)	300
- Minority interest	-	-	-	-
	(797)	300	(797)	300
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent	(771)	300	(771)	300
- Minority interest	-	-	-	-
	(771)	300	(771)	300
<b>Earnings per share (sen) for loss attributable to owners of the Parent</b>				
-Basic (sen)	(1.57)	0.59	(1.57)	0.59
-Diluted (sen)	N/A	N/A	N/A	N/A

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.*

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
(formerly known as NAGAMAS INTERNATIONAL BERHAD)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
- For the period ended 31 March 2014

	<b>31-Mar-14</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31-Dec-13</b> <b>(Audited)</b> <b>RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	96	101
Motor Vehicle	324	344
Investment properties	20,813	20,813
	<u>21,233</u>	<u>21,258</u>
<b>Current Assets</b>		
Property Development Costs	4,574	4,306
Trade Receivables	1,637	2,410
Accrued Billing	321	-
Amount due from customer on contract	-	-
Other Receivables	4,590	4,611
Tax Recoverable	-	-
Cash & Bank Balances	1,661	253
	<u>12,783</u>	<u>11,580</u>
<b>TOTAL ASSETS</b>	<b><u>34,016</u></b>	<b><u>32,838</u></b>
<b>Equity</b>		
Share Capital	50,895	50,895
Accumulated Losses	(31,306)	(30,509)
Translation Adjustment Account	183	157
Total Equity	<u>19,772</u>	<u>20,543</u>
<b>Non Current Liabilities</b>		
Hire Purchase	165	181
Deferred taxation	4,357	4,386
	<u>4,522</u>	<u>4,567</u>
<b>Current Liabilities</b>		
Trade Payables	824	807
Progress billings	-	179
Other Payables & Accruals	8,326	5,834
Bank borrowing	517	849
Hire Purchase	55	59
	<u>9,722</u>	<u>7,728</u>
Total Liabilities	14,244	12,295
<b>Total Equity And Liabilities</b>	<b><u>34,016</u></b>	<b><u>32,838</u></b>
Net assets per share	0.3885	0.4036

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.*

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 - For the period ended 31 March 2014

	< ----- <i>Non-distributable</i> ----- >		<i>Distributable</i>	
	Share Capital RM'000	Translation RM'000	Accumulated RM'000	Total RM'000
<b>Balance as at 1 January 2013</b>	50,895	(757)	(35,150)	14,988
Currency translation differences	-	914	-	914
Net Profit for the year	-	-	4,641	4,641
<b>Balance as at 31 December 2013</b>	50,895	157	(30,509)	20,543
Currency translation differences	-	26	-	26
Net loss for the quarter	-	-	(797)	(797)
Balance as at 31 March 2013	50,895	183	(31,306)	19,772

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.*

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
- For the period ended 31 March 2014

	Period Ended 31-Mar-14 RM'000	Period Ended 31-Mar-13 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(797)	300
Adjustment for:		
Depreciation	22	15
Allowance for impairment loss on non-trade receivables	-	-
Bad Debts written off	-	-
Interest expenses	21	45
Gain on unrealised forex	(28)	-
Interest income	-	-
Revaluation of investment properties	-	-
Operating profit/(loss) before working capital changes	<u>(782)</u>	<u>360</u>
(Increase)/Decrease in Development Properties Costs	(268)	(331)
(Increase)/Decrease in receivables	451	(1,229)
Decrease/(Increase) in payable	2,350	1,269
Decrease in amount due from customer on contract	-	-
Loss on disposal of Property, Plant and Equipment	-	-
Net cash generated from/(used in) operating activities	<u>1,751</u>	<u>69</u>
Interest received	-	-
Interest expenses	(21)	(45)
Tax refunded	-	-
	<u>1,730</u>	<u>24</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of motor vehicle	-	-
Purchase of property, plant & equipment	2	-
Net cash used in investing	<u>2</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowing	-	-
Repayment of hire purchase	(19)	-
Interest paid	(21)	(45)
Repayment of bank loan	(310)	-
Net cash generated from financing activities	<u>(350)</u>	<u>(45)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,382	(21)
<b>EFFECT ON TRANSLATION DIFFERENCES</b>	26	-
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	253	394
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u><u>1,661</u></u>	<u><u>373</u></u>

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.*

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
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**- For the period ended 31 March 2014**

**Part A – Explanatory Notes Pursuant to FRS 134**

**A1. Basic Of Preparation**

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

The accounting policies used by the Group in the quarterly report comply with the principles of the International Financial Reporting Standard (“IFRS”) adopted by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The quarterly report has been prepared based on the presentation, accounting policies and methods of computation consistent with those in the preparation of the audited statutory financial statement for the financial year ended 31 December 2013.

**A2. Changes in Accounting Policies**

Basis of accounting

The accounting principles and bases used are consistent with those previously adopted in the preparation of the audited financial statements of the Group except for the adoption of the following applicable new/revised Financial Reporting Standards (“FRS”), IC Interpretation and Amendments to FRSs effective for financial periods as stated below:-

		<b>Effective</b>
FRS 10	Amendments to FRS 10 : Improvements to FRSs (2012) : Investment entities	01-Jan-14
FRS 12	Amendments to FRS 12: Improvements to FRSs (2012) : Investment entities	01-Jan-14
FRS 127	Amendment to FRS 127 : Improvements to FRSs (2012) : Investment entities	01-Jan-14
FRS 132	Amendment to FRS 132 : Offsetting Financial Assets and Financial Liabilities	01-Jan-14
FRS 136	Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	01-Jan-14
FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	01-Jan-14
IC Interpretation 21	Levies	01-Jan-14
FRS 9	Amendments to FRS 9 : Mandatory Effective Date of FRS 9 and Transition Disclosures	01-Jan-15

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

The standards and interpretations that are issued but not yet effective are disclosed below:

		<b>Effective</b>
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2010)	01-Jan-15
FRS 119	Amendments to FRS 119: Defined benefit plans: Employee contributions	01-Jul-14
FRS 2010-2012 cycle	Annual improvements to FRS 2010-2012 cycle	01-Jul-14
FRS 2011-2013 cycle	Annual improvements to FRS 2011-2013 cycle	01-Jul-14
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2010)	To be announced
FRS 9	Financial Instruments: Hedge accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
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**- For the period ended 31 March 2014**

**Part A – Explanatory Notes Pursuant to FRS 134**

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discuss below:

FRS 9 reflects the first phase of work in the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of FRS 9 will have an effect in the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

On 19 November 2011, the Malaysian Accounting Standard Board (MASB) issued a new MASB approved accounting standards framework, the Malaysian Financial Reporting Standards ("MFRSs") that are equivalent to International Financial Reporting Standards.

The MFRSs are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 (Agricultures) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of the MFRSs to annual periods beginning on or after 1 January 2015. The Group falls within the definition of Transitioning Entities and has the option to prepare its first MFRSs financial statements for the financial year ending 31 December 2015.

In representing its FRSs financial statements, the Company will quantify the financial effects of the differences between the current FRSs and MFRSs.

The majority of the adjustments required on transition will be made, retroactively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ended 31 December 2015.

**A3. Declaration of Qualification of Audit Report**

There was no qualification in the audited report for the year ended 31 December 2013.

**A4. Seasonality or cyclicity of operations**

The Group's operations are not subject to seasonal or cyclical factors.

**A5. Nature and Amounts of Unusual Items**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

**A6. Nature and Amount of Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial year-to-date results.

**A7. Issuances or repayment of debt and equity securities**

There were no issuances of new shares or repayment of debt and equity securities during the quarter under review.

**A8. Dividends**

No dividend is being proposed or paid for this quarter.

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**- For the period ended 31 March 2014**

**Part A – Explanatory Notes Pursuant to FRS 134**

**A9. Segmental Information**

The Group is organised into business units based on their products and services and has two reportable operating segments as follows:

**By Business Segments**

	<b>Services</b>	<b>Property and Investment Holdings</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External sales	-	722	-	722
Inter-segment sales	-	-	-	-
Total Revenue	-	722	-	722
Segment result-external	(4)	(793)		(797)
Profit/(loss) before taxation				(797)
Taxation				-
Profit/(Loss) after taxation				<u>(797)</u>
Segment assets	22	33,994		<u>34,016</u>
Segment liabilities	282	13,962		<u>14,244</u>

**A10. Valuation of Investment Properties and Property, Plant and Equipment**

There was no change of valuation value in investment properties, but there was change in property, plant and equipment during the quarter due to purchase of computer software for human resources.

**A11. Material events subsequent to the end of the period**

There were no other material events subsequent to the end of the period.

**A12. Changes in the composition of the Group**

On 31st March 2014, the Company has changed its name from Nagamas International Berhad to Jiankun International Berhad.

**A13. Changes in the contingent liabilities**

There were no contingent liabilities at the end of the quarter.

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**- For the period ended 31 March 2014**

**Part A – Explanatory Notes Pursuant to FRS 134**

**A14. Significant related party transactions**

(a) Related party relationship

Malaysia-Beijing Travel Services Sdn Bhd is a company in which a director and a shareholder of the Company, has substantial interest.

(b) Related party transactions

**Current Quarter Ended**  
**31-Mar-14**  
**RM'000**

Malaysia-Beijing Travel Services Sdn Bhd  
 -Rental expenses of premises

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**PART B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**B1. Review of Performance against Preceding Year's Corresponding Quarter**

**Quarter on quarter review (March 2014 vs March 2013)**

For the quarter under review, the Group registered a revenue of RM722,000 and a net loss after taxation of RM797,000 compared to a revenue of RM2.26 million and a net profit after taxation of RM300,000 in the previous year's corresponding quarter.

The quarter on quarter movements in the segment revenues are as follows (ie. quarterly movement):

	<b>Current</b>	<b>Preceding</b>	<b>Variance</b>	
	<b>31-Mar-14</b>	<b>31-Mar-13</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>
Services	0	914	-100.00%	(914)
Property and investment	722	1,350	-46.52%	(628)
	<u>722</u>	<u>2,264</u>	<u>-68.11%</u>	<u>(1,542)</u>

The decrease in revenue as compared in preceding quarter was due to stop of operation in the services (air tickets) segment, nevertheless, the property and investment segment remain on going.

**B2. Comparison with Preceding Quarter's Results (March 2014 vs December 2013)**

Revenue recorded for current quarter was RM722,000, a decrease of RM164,000 million compared the revenue on preceding quarter 31st December 2013 of RM886,000. Loss after taxation for the quarter was RM797,000 compared to a profit after taxation of RM5.504 million in the preceding quarter. The loss after tax was due to slower in revenue and higher expenses especially electricity and utilities bills during the quarter.

**B3. Future Prospects**

The Corporate Proposals undertaken by the Company is expected to put Nagamas in a better financial position. Upon the listing of the Rights Shares and Warrants on Bursa Securities, which is expected in middle of 2014, the Company is expected to raise a minimum sum of RM8.5 million, which can be used to fund property development costs for the Group existing development project in Mantin, working capital and future projects.

**B4. Variance on Profit Forecast / Profit Guarantee**

Not applicable.

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
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- For the period ended 31 March 2014

**PART B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**B5. Taxation**

The tax charge relates principally to the current year's profit made by certain profitable subsidiary companies which cannot be offset against the losses of other subsidiary companies within the Group.

**B6. Profit/Loss on Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investments and properties for the quarter under review.

**B7. Purchase or Disposal of Quoted Securities**

There were no purchases or disposals of quoted securities by the Group.

**B8. Group Borrowings**

Total group borrowings as were as follows: -

	<b>Secured RM'000</b>	<b>Total RM'000</b>
Hire Purchase	220	220
Bridging loan	<u>517</u>	<u>517</u>

**B9. Off Balance Sheet Financial Instruments**

None.

**B10. Material Litigation**

None.

**B11. Earnings Per Share (EPS)**

The EPS for the quarter was calculated base on the profit after taxation for the quarter divided by the weighted average number

EPS for the quarter is as follows:-

Basic in sen	RM'000	
	<u>(797)</u>	
	50,895	
	=	(1.57)
Diluted		Not applicable

**B12. Notes to the statement of comprehensive income**

The following (gain)/loss have been included in arriving at profit/(loss) before taxation :

	<b>Current Quarter 31-Mar-14 RM'000</b>	<b>Current Year to date 31-Mar-14 RM'000</b>
Interest income	-	-
Interest expenses	21	21
Depreciation and amortization	<u>22</u>	<u>22</u>

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**PART B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**B13. Realised and Unrealised Profits/Losses Disclosure**

	<b>Current Quarter Ended</b>	<b>Preceding Quarter Ended</b>
	<b>31-Mar-14</b>	<b>31-Mar-13</b>
	<b>RM '000</b>	<b>RM '000</b>
Total realised losses	(31,306)	(34,130)
Total unrealised profits/(loss)	-	-
Less : Consolidated adjustment	-	(720)
Total accumulated losses	<u>(31,306)</u>	<u>(34,850)</u>

**By Order of the Board**