

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

Interim Financial Report
30-Jun-14

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

Interim Financial Report

30-Jun-14

	Page No.
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Interim Financial Report	7 - 12

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- For the period ended 30 June 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-14 RM'000	Preceding Year Quarter 30-Jun-13 RM'000	Current Year To date 30-Jun-14 RM'000	Preceding Year To date 30-Jun-13 RM'000
Revenue	1,297	1,226	2,019	3,490
Cost of Sales	(930)	(1,024)	(1,511)	(2,125)
Operating profit	367	202	508	1,365
Revaluation of Investment Properties	-	-	-	-
Other Income	4	17	5	20
Administration and general expenses	(1,030)	(672)	(1,948)	(1,493)
Finance costs	(14)	(31)	(35)	(76)
Profit /(loss) before taxation	(673)	(484)	(1,470)	(184)
Taxation	-	-	-	-
Net profit/(loss) for the period	(673)	(484)	(1,470)	(184)
Other comprehensive income after tax:				
Net currency translation differences	104	-	130	-
Other comprehensive income for the period, net of tax	104	-	130	-
Total comprehensive income for the period	(569)	(484)	(1,340)	(184)
Net profit/(loss) attributable to:				
- Owners of the parent	(673)	(484)	(1,470)	(184)
- Minority interest	-	-	-	-
	(673)	(484)	(1,470)	(184)
Total comprehensive income attributable to:				
- Owners of the parent	(569)	(484)	(1,340)	(184)
- Minority interest	-	-	-	-
	(569)	(484)	(1,340)	(184)
Earnings per share (sen) for loss attributable to owners of the Parent				
-Basic (sen)	(1.32)	(0.95)	(2.89)	(0.36)
-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 30 June 2014

	30-Jun-14 (Unaudited) RM'000	31-Dec-13 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	91	101
Motor Vehicle	303	344
Investment properties	20,813	20,813
	<u>21,207</u>	<u>21,258</u>
Current Assets		
Property Development Costs	5,337	4,306
Trade Receivables	1,551	2,410
Accrued Billing	340	-
Amount due from customer on contract	-	-
Other Receivables	4,559	4,611
Tax Recoverable	-	-
Cash & Bank Balances	93	253
	<u>11,880</u>	<u>11,580</u>
TOTAL ASSETS	<u>33,087</u>	<u>32,838</u>
Equity		
Share Capital	50,895	50,895
Accumulated Losses	(31,979)	(30,509)
Translation Adjustment Account	287	157
Total Equity	<u>19,203</u>	<u>20,543</u>
Non Current Liabilities		
Hire Purchase	152	181
Deferred taxation	4,254	4,386
	<u>4,406</u>	<u>4,567</u>
Current Liabilities		
Trade Payables	338	807
Progress billings	-	179
Other Payables & Accruals	8,823	5,834
Bank borrowing	266	849
Hire Purchase	51	59
	<u>9,478</u>	<u>7,728</u>
Total Liabilities	13,884	12,295
Total Equity And Liabilities	<u>33,087</u>	<u>32,838</u>
Net assets per share	0.3773	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)
 (formerly known as NAGAMAS INTERNATIONAL BERHAD)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 - For the period ended 30 June 2014

	< ----- Non-distributable ----- >		Distributable	
	Share Capital RM'000	Translation RM'000	Accumulated RM'000	Total RM'000
Balance as at 1 January 2013	50,895	(757)	(35,150)	14,988
Currency translation differences	-	914	-	914
Net Profit for the year	-	-	4,641	4,641
Balance as at 31 December 2013	50,895	157	(30,509)	20,543
Currency translation differences	-	26	-	26
Net loss for the quarter	-	-	(797)	(797)
Balance as at 31 March 2014	50,895	183	(31,306)	19,772
Currency translation differences	-	104	-	104
Net loss for the quarter	-	-	(673)	(673)
Balance as at 30 June 2014	50,895	287	(31,979)	19,203

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 CASH FLOWS
- For the period ended 30 June 2014

	Period Ended 30-Jun-14 RM'000	Period Ended 30-Jun-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,470)	(184)
Adjustment for:		
Depreciation	48	43
Interest expenses	35	76
Gain on unrealised forex	(131)	-
Interest income	-	-
Revaluation of investment properties	-	-
Operating profit/(loss) before working capital changes	<u>(1,518)</u>	<u>(65)</u>
(Increase)/Decrease in Development Properties Costs	(1,031)	(721)
(Increase)/Decrease in receivables	519	(649)
Decrease/(Increase) in payable	2,392	1,877
Decrease in amount due from customer on contract	-	131
Loss on disposal of Property, Plant and Equipment	-	-
Net cash generated from/(used in) operating activities	<u>362</u>	<u>573</u>
Interest received	-	-
Interest expenses	(35)	(76)
Tax refunded	-	-
	<u>327</u>	<u>497</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of motor vehicle	-	(413)
Purchase of property, plant & equipment	2	-
Net cash used in investing	<u>2</u>	<u>(413)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	-	-
Drawdown/(Repayment) of hire purchase	(36)	257
Interest paid	(35)	(76)
Repayment of bank loan	(548)	(247)
Net cash generated from financing activities	<u>(619)</u>	<u>(66)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(290)	18
EFFECT ON TRANSLATION DIFFERENCES	130	(3)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	253	394
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>93</u>	<u>409</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)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 30 June 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:-

		Effective
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:

		Effective
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)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- 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, retrospectively, 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 cyclical 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.

JIANKUN INTERNATIONAL BERHAD (111365-U)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 30 June 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

	Services	Property and Investment Holdings	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	-	2,019	-	2,019
Inter-segment sales	-		-	-
Total Revenue	-	2,019	-	2,019
Segment result-external	(30)	(1,440)		(1,470)
Profit/(loss) before taxation				(1,470)
Taxation				-
Profit/(Loss) after taxation				(1,470)
Segment assets	-	33,087		33,087
Segment liabilities	286	13,598		13,884

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

There was no change of valuation value in investment properties and property, plant and equipment during the quarter.

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 9 July 2014, the Company has obtained High Court of Malaya confirming on par value reduction of the Company ordinary share to RM0.25 per share. The Court Order has been lodged with the Companies Commission of Malaysia on 8 August 2014, upon which the Par Value Reduction shall take effect. Hence, the Par Value Reduction is deemed completed.

The Shareholders of the Company shall take note that the Par Value Reduction does not affect the number of the ordinary shares of the Company held by them.

A13. Changes in the contingent liabilities

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

JIANKUN INTERNATIONAL BERHAD (111365-U)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 30 June 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 30-Jun-14 RM'000
Malaysia-Beijing Travel Services Sdn Bhd -Rental expenses of premises	<u>38</u>

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 (June 2014 vs June 2013)

For the quarter under review, the Group registered a revenue of RM1,297,000 and a net loss after taxation of RM673,000 compared to a revenue of RM1,226,000 and a net loss after taxation of RM484,000 in the previous year's corresponding quarter.

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

	Current	Preceding	Variance	
	30-Jun-14	30-Jun-13	%	RM'000
	RM'000	RM'000		RM'000
Services	0	730	-100.00%	(730)
Property and investment	1,297	496	161.49%	801
	1,297	1,226	5.79%	71

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 (June 2014 vs March 2014)

Revenue recorded for current quarter was RM1,297,000, an increased of RM575,000 compared the revenue on preceding quarter 31st March 2014 of RM722,000. Loss after taxation for the quarter was RM673,000 compared to a loss after taxation of RM797,000 in the preceding quarter. The loss after tax was narrow down due to higher revenue recorded for the quarter under review.

B3. Future Prospects

The Corporate Proposals undertaken by the Company is expected to put the Group in a better financial position. Upon the listing of the Rights Share and Warrants on Bursa Securities Berhad, which is expected in 2014, the Company is expected to raise a minimum sum of RM8.5 million, which can be used to funds for working capital and projects.

B4. Variance on Profit Forecast / Profit Guarantee

Not applicable.

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

- For the period ended 30 June 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: -

	Secured RM'000	Total RM'000
Hire Purchase	203	203
Bridging loan	<u>266</u>	<u>266</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>(673)</u>	
	50,895	
	=	(1.32)
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 :

	Current Quarter 30-Jun-14 RM'000	Current Year to date 30-Jun-14 RM'000
Interest income	-	-
Interest expenses	14	35
Depreciation and amortization	<u>26</u>	<u>48</u>

JIANKUN INTERNATIONAL BERHAD (111365-U)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 30 June 2014

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

B13. Realised and Unrealised Profits/Losses Disclosure

	Current Quarter Ended	Preceding Quarter Ended
	30-Jun-14	30-Jun-13
	RM '000	RM '000
Total realised losses	(31,979)	(35,334)
Total unrealised profits/(loss)	-	-
Less : Consolidated adjustment	287	(760)
Total accumulated losses	<u>(31,692)</u>	<u>(36,094)</u>

By Order of the Board