



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

Interim Financial Report
30 September 2019

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JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- For the quarter ended 30 September 2019

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-19 RM'000	Preceding Year Quarter 30-Sep-18 RM'000	Current Year To date 30-Sep-19 RM'000	Preceding Year To date 30-Sep-18 RM'000
Revenue	7,108	4,432	21,923	23,976
Cost of Sales	(5,846)	(2,712)	(17,819)	(17,971)
Gross Profit	1,262	1,720	4,104	6,005
Other Income	323	92	565	113
Selling and marketing expenses	(45)	(153)	(154)	(1,281)
Administrative expenses	(862)	(1,052)	(2,582)	(3,858)
Other operating expenses	(1)	(81.00)	1	(81)
Operating profit / (loss)	677	526	1,934	898
Interest income	41	8	74	31
Finance costs	(2)	-	(8)	(3)
Profit / (loss) before taxation	716	534	2,000	926
Taxation	(192)	(114)	(365)	(644)
Net profit/(loss) from continuing for the period	524	420	1,635	282
Loss from discontinued operation net of tax	-	(21)	-	(21)
Net profit/(loss) for the period	524	399	1,635	261
Other comprehensive income after tax:				
Net currency translation differences	34	(84)	32	(133)
Other comprehensive income for the period, net of tax	34	(84)	32	(133)
Total comprehensive income for the period	558	315	1,667	128
Net profit/(loss) attributable to:				
- Owners of the parent	524	399	1,635	261
- Minority interest	-	-	-	-
	524	399	1,635	261
Total comprehensive income attributable to:				
- Owners of the parent	558	315	1,667	128
- Minority interest	-	-	-	-
	558	315	1,667	128
Earnings per share attributable to the owner of the Company (sen) attributable to owners of the parent				
-Basic (sen)	0.31	0.24	0.98	0.16
-Diluted (sen)	0.22	0.16	0.67	0.11

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As at 30 September 2019

	30-Sep-19 (Unaudited) RM'000	31-Dec-18 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	137	166
Investment properties	28,193	28,193
Other Receivable	3,965	3,965
	<u>32,295</u>	<u>32,324</u>
Current Assets		
Inventories	39,004	38,945
Trade Receivables	2,486	3,900
Contract Assets	15,589	14,636
Other Receivables	2,119	1,630
Tax Recoverable	185	265
Fixed deposit with license bank	3,696	-
Cash & Bank Balances	4,155	12,207
	<u>67,234</u>	<u>71,583</u>
TOTAL ASSETS	<u>99,529</u>	<u>103,907</u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company		
Share Capital	44,656	44,656
Reserves	7,372	5,769
Total Equity	<u>52,028</u>	<u>50,425</u>
Non Current Liabilities		
Bank Borrowing	22,281	3,932
Deferred Taxation	6,579	6,579
	<u>28,860</u>	<u>10,511</u>
Current Liabilities		
Trade Payables	6,372	6,548
Other Payables & Accruals	12,222	17,045
Bank Borrowing	-	19,378
	<u>18,641</u>	<u>42,971</u>
Total Liabilities	<u>47,501</u>	<u>53,482</u>
TOTAL EQUITY AND LIABILITIES	<u>99,529</u>	<u>103,907</u>
Net assets per share (RM)	0.31	0.30

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- For the quarter ended 30 September 2019

	< ----- Non-distributable ----- >				Distributable	
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Capital Reserve	Accumulated Losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	44,656	4,379	13,606	-	(12,216)	50,425
Net profit for the period	-	-	-	-	1,635	1,635
Currency translation differences	-	(32)	-	-	-	(32)
Balance as at 30 September 2019	44,656	4,347	13,606	-	(10,581)	52,028

	< ----- Non-distributable ----- >				Distributable	
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Capital Reserve	Accumulated Losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2018	44,656	3,766	13,606	-	(18,266)	43,762
Net loss for the period	-	-	-	-	261	261
Currency translation differences	-	133	-	-	-	133
Balance as at 30 September 2018	44,656	3,899	13,606	-	(18,005)	44,156

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

- For the quarter ended 30 September 2019

	Year Ended 30-Sep-19 RM'000	Year Ended 30-Sep-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING ACTIVITIES		
Profit before taxation	2,000	905
Adjustment for:		
Depreciation	46	38
Loss/(gain) on disposal of property, plant and equipment	-	(1)
Gain on disposal of subsidiary companies	-	(12)
Interest expenses	-	1
Interest income	(74)	(31)
Operating profit/(loss) before working capital changes	<u>1,972</u>	<u>900</u>
(Increase)/Decrease in Inventories	155	(5,880)
(Increase)/Decrease in trade receivables	1,217	4,507
(Increase)/Decrease in other receivables	-	314
(Decrease)/Increase in trade payables	(146)	624
(Decrease)/Increase in other payables	(176)	(5,397)
Increase in net amount due from customer on contract	(4,825)	-
Net cash generated from/(used in) operating activities	<u>(1,803)</u>	<u>(4,932)</u>
Interest paid	(1,310)	(659)
Interest received	74	31
Tax paid	(239)	(900)
	<u>(3,278)</u>	<u>(6,460)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(17)	(1)
Proceed from disposal of property, plant & equipment	-	62
Net cash inflow from disposal of subsidiaries	-	12
Net cash received / (used) in investing activities	<u>(17)</u>	<u>73</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown / (Repayment) of bank borrowing (net)	(1,029)	4,711
Drawdown/(Repayment) of hire purchase	-	(64)
Net cash generated / (used) from financing activities	<u>(1,029)</u>	<u>4,647</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,324)	(1,740)
EFFECT ON TRANSLATION DIFFERENCES	(32)	133
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	12,207	3,660
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>7,851</u>	<u>2,053</u>
Cash and cash equivalents comprise:-		
Cash and bank balance	<u>7,851</u>	<u>2,053</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 September 2019

Part A – Explanatory Notes Pursuant to MFRS 134

A1. Basic Of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") 134, Interim Financial Reporting, International Accounting Standard ("IAS") 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies.

A2. Changes in Accounting Policies

Basis of accounting

The accounting policies and methods of computation adopted by the Group in this interim financial report are prepared in accordance with MFRSs effective for annual periods beginning on 1 January 2012 and the amendment to MFRSs effective on or after 1 January 2012.

Standards issued but not yet effective

		Effective
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 2	Share-based Payment	1 January 2020
Amendment to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendment to MFRS 14	Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138	Intangible Assets	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

A3. Declaration of Qualification of Audit Report

There was no qualification in the audited financial report for the year ended 31 December 2018.

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 quarter-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 review.

A8. Dividends

There was no dividend is being proposed or paid for this quarter.

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 September 2019

Part A – Explanatory Notes Pursuant to MFRS 134

A9. Segmental Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Property development and construction Develop and provides construction services for residential, industrial and commercial property.

Project management and advisory Provides project management services for residential, industrial and commercial property development.

Property management and investment holding Provision of management, marketing and consultancy services.

The Group Executive Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income tax are managed on a group basis and are not allocated to operating segments.

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Group

	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2019						
Revenue						
External customers	-	21,834	89	21,923	-	21,923
Inter-segment	-	12,565	-	12,565	(12,565)	-
Total revenue	-	34,399	89	34,488	(12,565)	21,923
Result						
Interest income	-	636	4	640	-	640
Profit / (loss) before taxation	-	2,392	(392)	2,000	-	2,000
Taxation	-	(365)	-	(365)	-	(365)
Segment profit / (loss)	-	2,027	(392)	1,635	-	1,635

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 September 2019

Part A – Explanatory Notes Pursuant to MFRS 134

A9. Segmental Information (cont.)

	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Capital expenditure	-	40,988	-	40,988	(2,625)	38,363
Segment assets	-	28,771	50,699	79,470	(18,304)	61,166
Total assets	-	69,759	50,699	120,458	(20,929)	99,529
Liabilities						
Segment liabilities	-	46,911	7,071	53,982	(6,481)	47,501
Other non-cash item						
Depreciation of property, plant and equipment	-	(32)	(14)	(46)	-	(46)
Group						
	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2018						
Revenue						
External customers	-	23,976	-	23,976	-	23,976
Inter-segment	-	12,041	-	12,041	(12,041)	-
Total revenue	-	36,017	-	36,017	(12,041)	23,976
Result						
Other incomes	-	50	93	143	-	143
Loss before taxation	-	1,187	881	2,068	(1,163)	905
Taxation	-	(644)	-	(644)	-	(644)
Segment profit / (loss)	-	543	881	1,424	(1,163)	261
Assets						
Capital expenditure	-	42,614	-	42,614	(1,564)	41,050
Segment assets	-	12,378	48,521	60,899	(3,997)	56,902
Total assets	-	54,992	48,521	103,513	(5,561)	97,952
Liabilities						
Segment liabilities	-	49,263	4,534	53,797	-	53,797
Other non-cash item						
Depreciation of property, plant and equipment	-	(25)	(13)	(38)	-	(38)
Waiver of liability	-	-	(97)	(97)	-	(97)

A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the period under review.

A11. Changes in the contingent liabilities

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

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 September 2019

Part A – Explanatory Notes Pursuant to MFRS 134

A12. Significant related party transactions

There was no other material related party transactions for the current quarter and financial year-to-date.

A13. Capital Commitments

There was no other material capital commitments for the quarter under review save for the balance of entitlement payable to Fivestar Development (Puchong) Sdn. Bhd. for Amani Residences project which was included in other payables.

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

B1. Review of Group Performance

	Individual Quarter			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To-date	Preceding year Corresponding Period	Changes
	30-Sep-19 RM'000	30-Sep-18 RM'000	RM'000	30-Sep-19 RM'000	30-Sep-18 RM'000	RM'000
Revenue	7,108	4,432	2,676	21,923	23,976	(2,053)
Gross profit	1,262	1,720	(458)	4,104	6,005	(1,901)
Profit / (loss) before tax	716	534	182	2,000	926	1,074
Profit / (loss) after tax	524	420	104	1,635	282	1,353

Performance of the current quarter against the same quarter in the preceding year (3Q 2019 vs 3Q 2018)

The Group revenue increase from RM4.432 million (3Q 2018) to RM7.108 million (3Q 2019), the increased of RM2.676 million was mainly due to the increase in sales and the construction work carry out for Amani Residences Project.

The Group profit before tax increased from RM0.534 million (3Q 2018) to RM0.716 million (3Q 2019). The increased in profit was mainly derived from development business.

B2. Comparison with Preceding Quarter's Results

	Current Quarter 30-Sep-19 RM'000	Immediate Preceding Quarter 30-Jun-19 RM'000	Changes RM'000
Revenue	7,108	7,998	(890)
Gross profit	1,262	912	350
Profit / (loss) before tax	716	230	486
Profit / (loss) after tax	524	136	388

For 3Q 2019, revenue of RM7.108 million was recorded as compare with RM7.998 million in 2Q 2019. while the profit before tax has increase from RM0.230 million in 2Q 2019 to RM0.716 million in 3Q 2019. The was mainly due to the higher sales conversion in 3rd quarter and profit has been recognised.

B3. Future Prospects

The Group is actively sourcing for new development opportunities to meet the demand of first time house buyers and/or the middle income group.

B4. Variance on Profit Forecast / Profit Guarantee

The Group has not announced or disclosed any profit forecast in public documents.

JIANKUN INTERNATIONAL BERHAD (111365-U)
- For the quarter ended 30 September 2019

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

B5. Taxation

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

The tax charge for the Group is as follows:-

	2019	2018
	RM'000	RM'000
Current tax	365	644
Deferred tax	-	-
	<u>365</u>	<u>644</u>

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

There was no profit or loss on sale of unquoted investment and/or properties for the quarter under review.

B7. Purchase or Disposal of Quoted Securities

There was no purchases or disposals of quoted securities by the Group for the quarter under review.

B8. Status of corporate proposals and utilisation of proceeds

On 30 January 2018, the Group announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 30 January 2018, resolved to approve the listing of and quotation of up to 24,243,210 Placement Shares to be issued pursuant to the Proposed Private Placement. On 29 July 2019, the Group announced that the Private Placement had lapsed and no new shares were issued/ placed out pursuant to the Private Placement.

B9. Group Borrowings

Total Group borrowings were as follows:

	Current Year	Preceding Year
	As At	As At
	30-Sep-19	30-Sep-18
	RM '000	RM '000
Secured:		
Short term:		
Bridging loan	-	11,558
Term loan	-	5,101
	<u>-</u>	<u>16,659</u>
Long term:		
Hire purchase	-	-
Bridging loan	22,290	3,459
	<u>22,290</u>	<u>3,459</u>

B10. Off Balance Sheet Financial Instruments

There was no off balance sheet financial instruments by the Group for the quarter under review.

B11. Material Litigation

There was no material litigation for the Group for the quarter under review.

JIANKUN INTERNATIONAL BERHAD (111365-U)
- For the quarter ended 30 September 2019

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

B12. Earnings Per Share (EPS)

The EPS for the year was calculated base on the profit after taxation for the year divided by the weighted average number of ordinary shares issued during the year.

EPS for the quarter is as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-19 RM'000	Preceding Year Quarter 30-Sep-18 RM'000	Current Year To Date 30-Sep-19 RM'000	Preceding Year To Date 30-Sep-18 RM'000
Profit / (Loss) after tax	524	399	1,635	261
Number of ordinary shares issued as at 1 January	166,845	166,845	166,845	166,845
Basic EPS (Sen)	0.31	0.24	0.98	0.16

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-19 RM'000	Preceding Year Quarter 30-Sep-18 RM'000	Current Year To Date 30-Sep-19 RM'000	Preceding Year To Date 30-Sep-18 RM'000
Profit / (Loss) after tax	524	399	1,635	261
Weighted Average number of ordinary shares issued	166,845	166,845	166,845	166,845
Assume shares issued from exercise of warrants	75,587	75,587	75,587	75,587
Adjusted Weighted Average number of ordinary shares issued	242,432	242,432	242,432	242,432
Diluted EPS (Sen)	0.22	0.16	0.67	0.11

B13. Notes to the Statement of Comprehensive Income

	Current Year Ended 30-Sep-19 RM'000	Preceding Year Ended 30-Sep-18 RM'000
Profit for the period is arrived at after charging:		
Depreciation and amortization	46	38
and after crediting:		
Interest income	74	31

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 September 2019

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

B14. Realised and Unrealised Profits/Losses Disclosure

	Current Year Ended	Preceding Year Ended
	30-Sep-19 RM '000	30-Sep-18 RM '000
Total realised losses	(15,379)	(24,436)
Total unrealised profits/(loss)	6,579	5,905
	<u>(8,800)</u>	<u>(18,531)</u>
Consolidated adjustment	(1,781)	526
Total accumulated profit/(loss)	<u>(10,581)</u>	<u>(18,005)</u>

By Order of the Board

Date: 19 November 2019