



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

**Interim Financial Report  
30 June 2020**

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**(111365-U)**  
**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 June 2020**

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**JIANKUN INTERNATIONAL BERHAD (111365-U)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

- For the quarter ended 30 June 2020

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-20 RM'000	Preceding Year Quarter 30-Jun-19 RM'000	Current Year To date 30-Jun-20 RM'000	Preceding Year To date 30-Jun-19 RM'000
<b>Revenue</b>	5,262	7,998	24,475	14,815
Cost of Sales	(4,507)	(7,086)	(20,339)	(11,973)
<b>Gross Profit</b>	755	912	4,136	2,842
Other Income	59	173	267	242
Selling and marketing expenses	(35)	(53)	(103)	(109)
Administrative expenses	(719)	(827)	(1,913)	(1,720)
Other operating expenses	-	2	-	2
Operating profit / (loss)	60	207	2,387	1,257
Interest income	30	29	82	33
Finance costs	(1)	(6)	(3)	(6)
<b>Profit / (loss) before taxation</b>	89	230	2,466	1,284
Taxation	(18)	(94)	(448)	(173)
Net profit/(loss) for the period	71	136	2,018	1,111
<b>Other comprehensive income after tax:</b>				
Net currency translation differences	(119)	(102)	(9)	(2)
<b>Other comprehensive income for the period, net of tax</b>	(119)	(102)	(9)	(2)
<b>Total comprehensive income for the period</b>	(48)	34	2,009	1,109
<b>Net profit/(loss) attributable to:</b>				
- Owners of the parent	71	136	2,018	1,111
- Minority interest	-	-	-	-
	71	136	2,018	1,111
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent	(48)	34	2,009	1,109
- Minority interest	-	-	-	-
	(48)	34	2,009	1,109
<b>Earnings per share attributable to the owner of the Company (sen) attributable to owners of the parent</b>				
-Basic (sen)	0.04	0.08	1.21	0.67
-Diluted (sen)	0.03	0.06	0.83	0.46

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.*

JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As at 31 June 2020

	30-Jun-20 (Unaudited) RM'000	31-Dec-19 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	124	144
Right of Use Assets	98	197
Investment properties	27,572	27,572
Other Receivable	3,965	3,965
	<u>31,759</u>	<u>31,878</u>
<b>Current Assets</b>		
Inventories	31,286	33,150
Trade Receivables	5,574	6,588
Contract Assets	8,614	15,614
Other Receivables	1,913	2,277
Tax Recoverable	553	538
Fixed deposit with license bank	3,758	3,537
Cash & Bank Balances	4,875	7,884
	<u>56,573</u>	<u>69,588</u>
<b>TOTAL ASSETS</b>	<b><u>88,332</u></b>	<b><u>101,466</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	44,656	44,656
Reserves	12,042	10,033
<b>Total Equity</b>	<u>56,698</u>	<u>54,689</u>
<b>Non Current Liabilities</b>		
Deferred Taxation	6,304	6,304
	<u>6,304</u>	<u>6,304</u>
<b>Current Liabilities</b>		
Trade Payables	8,970	6,120
Other Payables & Accruals	12,436	16,404
Lease liabilities	101	200
Bank Borrowing	3,823	17,571
Provision for Taxation	-	178
	<u>25,330</u>	<u>40,473</u>
<b>Total Liabilities</b>	<u>31,634</u>	<u>46,777</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>88,332</u></b>	<b><u>101,466</u></b>
Net assets per share (RM)	0.34	0.33

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 June 2020

	< ----- Non-distributable ----- >			Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Accumulated Losses	
	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2020	44,656	4,308	13,606	(7,881)	54,689
Net profit for the period	-	-	-	2,018	2,018
Currency translation differences	-	(9)	-	-	(9)
Balance as at 30 June 2020	44,656	4,299	13,606	(5,863)	56,698

	< ----- Non-distributable ----- >			Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Accumulated Losses	
	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 loss for the period	-	-	-	1,111	1,111
Currency translation differences	-	(2)	-	-	(2)
Balance as at 30 June 2019	44,656	4,377	13,606	(11,105)	51,534

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 June 2020**

	<b>Year Ended 30-Jun-20 RM'000</b>	<b>Year Ended 30-Jun-19 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	2,466	1,284
Adjustment for:		
Depreciation	126	30
Finance costs	316	1
Finance income	(82)	(34)
Operating profit/(loss) before working capital changes	<u>2,826</u>	<u>1,281</u>
(Increase)/Decrease in Inventories	45,203	(171)
(Increase)/Decrease in trade receivables	(35,555)	(8,403)
(Increase)/Decrease in other receivables	740	-
(Decrease)/Increase in trade payables	(554)	(8)
(Decrease)/Increase in other payables	(689)	297
(Increase)/Decrease in contract Assets	-	(4,377)
Net cash generated from/(used in) operating activities	<u>11,971</u>	<u>(11,381)</u>
Interest paid	(316)	(991)
Interest received	82	34
Tax paid	(424)	(162)
	<u>11,313</u>	<u>(12,500)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(8)	(14)
Net cash received / (used) in investing activities	<u>(8)</u>	<u>(14)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown / (Repayment) of bank borrowing (net)	(13,397)	1,510
Drawdown/(Repayment) of right of use assets	(99)	-
Net cash generated / (used) from financing activities	<u>(13,496)</u>	<u>1,510</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,191)	(11,004)
EFFECT ON TRANSLATION DIFFERENCES	(9)	2
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	10,833	12,207
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u><u>8,633</u></u>	<u><u>1,205</u></u>
<b>Cash and cash equivalents comprise:-</b>		
Fixed deposit with licensed bank	3,759	201
Housing development accounts	3,060	357
Cash and bank balance	1,814	647
Cash and bank balance	<u>8,633</u>	<u>1,205</u>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.*

## JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 June 2020

### 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.

The Group ad adopted the following Amendements to Standards:

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 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

##### **Standards issued but not yet effective**

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group

Description		Effective date for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023
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

The adoption of new MFRS and amendments do not have any material effect on the financial statements

#### A3. Declaration of Qualification of Audit Report

There was no qualification in the audited financial report for the year ended 31 December 2019.

#### 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.

**JIANKUN INTERNATIONAL BERHAD (111365-U)**

**- For the quarter ended 30 June 2020**

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

**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.

**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.

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 June 2020

Part A – Explanatory Notes Pursuant to MFRS 134

A9. Segmental Information (cont.)

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
<b>30 June 2020</b>						
<b>Revenue</b>						
External customers	-	24,417	58	24,475	-	24,475
Inter-segment	-	13,988	-	13,988	(13,988)	-
Total revenue	-	38,405	58	38,463	(13,988)	24,475
<b>Result</b>						
Interest income	-	82	-	82	-	82
Profit / (loss) before taxation	-	2,670	(287)	2,383	83	2,466
Taxation	-	(426)	(22)	(448)	-	(448)
Segment profit / (loss)	-	2,244	(309)	1,935	83	2,018

	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
<b>Assets</b>						
Segmental assets	-	56,501	31,831	88,332	-	88,332

Including in the measurement of assets are:

Capital expenditure relating to:						
- property, plant and equipment	-	7	-	7	-	7

**Liabilities**

Segment liabilities	-	33,557	6,797	40,354	(8,720)	31,634
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**Other non-cash item**

Depreciation of:						
- properties, plant and equipment	-	(122)	(4)	(126)	-	(126)
- right of use assets	-	(98)	-	(98)	-	(98)

**JIANKUN INTERNATIONAL BERHAD (111365-U)**

- For the quarter ended 30 June 2020

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

**A9. Segmental Information (cont.)**

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
<b>30 June 2019</b>						
<b>Revenue</b>						
External customers	-	14,745	70	14,815	-	14,815
Inter-segment	-	8,305	-	8,305	(8,305)	-
Total revenue	-	23,050	70	23,120	(8,305)	14,815
<b>Result</b>						
Other incomes	-	274	3	277	-	277
Loss before taxation	-	1,495	(211)	1,284	-	1,284
Taxation	-	(173)	-	(173)	-	(173)
Segment profit / (loss)	-	1,322	(211)	1,111	-	1,111
<b>Assets</b>						
Segment assets	-	72,500	50,883	123,383	(20,929)	102,454
Including in the measurement of assets are:						
Capital expenditure relating to:						
- property, plant and equipment	-	14	-	14	-	14
<b>Liabilities</b>						
Segment liabilities	-	53,124	7,097	60,221	(9,305)	50,916
<b>Other non-cash item</b>						
Depreciation of property, plant and equipment	-	(21)	(9)	(30)	-	(30)

**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.

**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-Jun-20 RM'000	30-Jun-19 RM'000	RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000	RM'000
Revenue	5,262	7,998	(2,736)	24,475	14,815	9,660
Gross profit	755	912	(157)	4,136	2,842	1,294
Profit / (loss) before tax	89	230	(141)	2,466	1,284	1,182
Profit / (loss) after tax	71	136	(65)	2,018	1,111	907

**Performance of the current quarter against the same quarter in the preceding year (2Q 2020 vs 2Q 2019)**

The Group revenue increase from RM7.998 million (Q2 2019) to RM5,262 million (Q2 2020), a decreased of RM2.736 million and profit before tax decrease from RM0.230 million (Q2 2019) to RM0.089 million (Q2 2020).

The impact of the decreased were mainly due to COVIC-19 pandemic, which the government has imposed Movement Control Order ("MCO") on 18 March 2020 and follow by Conditional Movement Control Order ("CMCO") in the country has been seriously affected the operation of construction activities in the second quarter.

With reference to year-to-date results, the results were improved as compare to individual quarter results was due to the higher progressive works done and higher sales take up rate as compare with previous year. The revenue recorded an increased of RM9.660 million and profit before tax of RM1.182 million as compare to preceding year.

**B2. Comparison with Preceding Quarter's Results**

	Current Quarter 30-Jun-20 RM'000	Immediate Preceding Quarter 30-Mar-20 RM'000	Changes RM'000
Revenue	5,262	19,213	(13,951)
Gross profit	755	3,381	(2,626)
Profit / (loss) before tax	89	2,377	(2,288)
Profit / (loss) after tax	71	1,947	(1,876)

As comparison with Q2 2020 to Q1 2020, the revenue was decreased by RM13.951 million and profit before tax decreased by RM2.288 million was mainly mainly due to MCO and CMCO imposed by government which the construction works was unable to perform during this period of time.

**B3. Future Prospects**

In view of the current economic outlook and the pandemic of COVID-19 effect, any pro-long in recovery will affect the results of the Group in future. The Board in the opinion that year 2020 and 2021 will be the challenging years for the Group. In order to sustain in businesses, the Group will take reasonable step to control the spending to fulfil short term objective. In long term strategy, the Board and the Management will continue to source for suitable lands for future development.

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

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

**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:-

	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax	<u>448</u>	<u>173</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**

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

**B9. Group Borrowings**

Total Group borrowings were as follows:

	<b>Current Year</b>	<b>Preceding</b>
	<b>As At</b>	<b>Year</b>
	<b>30-Jun-20</b>	<b>As At</b>
	<b>RM '000</b>	<b>30-Jun-19</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Secured:</b>		
<b>Short term:</b>		
Bridging loan	3,823	17,818
Term loan	-	1,560
	<u>3,823</u>	<u>19,378</u>
<b>Long term:</b>		
Bridging loan	-	3,932
	<u>-</u>	<u>3,932</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 June 2020**

**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-Jun-20 RM'000	Preceding Year Quarter 30-Jun-19 RM'000	Current Year To Date 30-Jun-20 RM'000	Preceding Year To Date 30-Jun-19 RM'000
Profit / (Loss) after tax	71	136	2,018	1,111
Number of ordinary shares issued as at 1 January	166,845	166,845	166,845	166,845
<b>Basic EPS (Sen)</b>	<b>0.04</b>	<b>0.08</b>	<b>1.21</b>	<b>0.67</b>

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-20 RM'000	Preceding Year Quarter 30-Jun-19 RM'000	Current Year To Date 30-Jun-20 RM'000	Preceding Year To Date 30-Jun-19 RM'000
Profit / (Loss) after tax	71	136	2,018	1,111
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
<b>Diluted EPS (Sen)</b>	<b>0.03</b>	<b>0.06</b>	<b>0.83</b>	<b>0.46</b>

**B13. Notes to the Statement of Comprehensive Income**

	Current Year Ended 30-Jun-20 RM'000	Preceding Year Ended 30-Jun-19 RM'000
Profit for the period is arrived at after charging:		
Depreciation and amortization	126	30
and after crediting:		
Interest income	82	34

**JIANKUN INTERNATIONAL BERHAD (111365-U)**

**- For the quarter ended 30 June 2020**

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

**B14. Realised and Unrealised Profits/Losses Disclosure**

	<b>Current Year Ended</b>	<b>Preceding Year Ended</b>
	<b>30-Jun-20 RM '000</b>	<b>30-Jun-19 RM '000</b>
Total realised losses	(12,234)	(15,902)
Total unrealised profits/(loss)	6,304	6,579
	<u>(5,930)</u>	<u>(9,323)</u>
Consolidated adjustment	67	(1,782)
Total accumulated profit/(loss)	<u>(5,863)</u>	<u>(11,105)</u>

**By Order of the Board**

**Date: 27 August 2020**