



JIANKUN INTERNATIONAL BERHAD
(Registration No. 198301015973 (111365-U))
(Incorporated in Malaysia)

Interim Financial Report
31 March 2022

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- For the quarter ended 31 March 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-22 RM'000	Preceding Year Quarter 31-Mar-21 RM'000	Current Year To date 31-Mar-22 RM'000	Preceding Year To date 31-Mar-21 RM'000
Revenue	7,222	11,813	7,222	11,813
Cost of Sales	(4,989)	(9,825)	(4,989)	(9,825)
Gross Profit	2,233	1,988	2,233	1,988
Other Income	19	7	19	7
Selling and marketing expenses	(30)	(40)	(30)	(40)
Administrative expenses	(2,104)	(1,386)	(2,104)	(1,386)
Operating profit / (loss)	118	569	118	569
Finance costs	(1)	(3)	(1)	(3)
Profit / (loss) before taxation	117	566	117	566
Taxation	-	(201)	-	(201)
Net profit/(loss) for the period	117	365	117	365
Other comprehensive income after tax:				
Net currency translation differences	39	(23)	39	(23)
Other comprehensive income for the period, net of tax	39	(23)	39	(23)
Total comprehensive income for the period	156	342	156	342
Net profit/(loss) attributable to:				
- Owners of the parent	117	365	117	365
- Minority interest	-	-	-	-
	117	365	117	365
Total comprehensive income attributable to:				
- Owners of the parent	156	342	156	342
- Minority interest	-	-	-	-
	156	342	156	342
Earnings per share attributable to the owner of the Company (sen) attributable to owners of the parent				
-Basic (sen)	0.05	0.20	0.05	0.20
-Diluted (sen)	0.05	0.14	0.05	0.14

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As at 31 March 2022

	31-Mar-22 (Unaudited) RM'000	31-Dec-21 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	764	622
Investment properties	27,654	27,654
	<u>28,418</u>	<u>28,276</u>
Current Assets		
Inventories	34,757	28,177
Trade Receivables	13,498	7,299
Contract Assets	-	45,415
Other Receivables	7,059	6,593
Tax Recoverable	18	385
Fixed deposit with license bank	3,850	3,830
Cash & Bank Balances	28,490	2,447
	<u>87,672</u>	<u>94,146</u>
TOTAL ASSETS	<u>116,090</u>	<u>122,422</u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company		
Share Capital	41,641	41,641
Reserves	39,253	39,097
Total Equity	<u>80,894</u>	<u>80,738</u>
Non Current Liabilities		
Deferred Taxation	8,623	8,623
	<u>8,623</u>	<u>8,623</u>
Current Liabilities		
Trade Payables	5,162	1,792
Contract liabilities	5,019	-
Other Payables & Accruals	16,268	30,070
Provision for Taxation	124	1,199
	<u>26,573</u>	<u>33,061</u>
Total Liabilities	<u>35,196</u>	<u>41,684</u>
TOTAL EQUITY AND LIABILITIES	<u>116,090</u>	<u>122,422</u>
Net assets per share (RM)	0.38	0.38

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- For the quarter ended 31 March 2022

	< ----- Non-distributable ----- >				Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Share Issuance Scheme Reserve	Warrant Reserve	Retained Profit	
	RM'000	RM'000		RM'000	RM'000	
Balance as at 1 January 2022	41,641	4,547	2,114	-	32,436	80,738
Profit for the period	-	-	-		117	117
Foreign exchange translation reserve	-	39	-	-	-	39
Total comprehensive (loss) / income for the period	-	39	-	-	117	156
Balance as at 31 March 2022	41,641	4,586	2,114	-	32,553	80,894

	< ----- Non-distributable ----- >			Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Retained Profit	
	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2021	45,291	3,871	13,377	(2,280)	60,259
Net profit for the period	-	-	-	365	365
Foreign exchange translation reserve	-	(23)	-	-	(23)
Total comprehensive (loss)/income for the financial year	-	(23)	-	365	342
Transaction with owners:					
Issuance of shares pursuant to warrants	56	-	(20)	-	36
Effect of private placement	8,826	-	-	-	8,826
	8,882	-	(20)	-	8,862
Balance as at 31 March 2021	54,173	3,848	13,357	(1,915)	69,463

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the quarter ended 31 March 2022

	Year Ended 31-Mar-22 RM'000	Year Ended 31-Mar-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING ACTIVITIES		
Profit before taxation	117	566
Adjustment for:		
Depreciation	46	64
Finance costs	-	303
Finance income	(19)	(1)
Operating profit/(loss) before working capital changes	<u>144</u>	<u>932</u>
(Increase)/Decrease in Inventories	(2,674)	1,598
(Increase)/Decrease in trade receivables	38,826	(1,594)
(Increase)/Decrease in other receivables	(502)	(7,520)
(Decrease)/Increase in trade payables	(2,641)	(1,905)
(Decrease)/Increase in other payables	(5,574)	563
(Increase)/Decrease in contract Assets	-	(1,318)
Net cash generated from/(used in) operating activities	<u>27,579</u>	<u>(9,244)</u>
Interest paid	-	(303)
Interest received	19	1
Tax paid	(1,268)	(366)
	<u>26,330</u>	<u>(9,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(413)	(15)
Net cash received / (used) in investing activities	<u>(413)</u>	<u>(15)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of right of use assets	-	(69)
Proceed from issuance of share	-	8,851
Net cash generated / (used) from financing activities	<u>-</u>	<u>8,782</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,917	(1,145)
EFFECT ON TRANSLATION DIFFERENCES	120	(23)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,452	15,141
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>28,489</u>	<u>13,973</u>
Cash and cash equivalents comprise:-		
Fixed deposit with licensed bank	3,830	3,850
Housing development accounts	7,294	7,962
Cash and bank balance	21,195	5,991
	<u>32,319</u>	<u>17,803</u>
Less: Fixed deposit pledged with licensed bank	(3,830)	(3,830)
	<u>28,489</u>	<u>13,973</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

- For the quarter ended 31 March 2022

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 2022 and the amendment to MFRSs effective on or after 1 January 2022.

The Group adopted the following Amendments to Standards:

Amendments to MFRS 16	Covid-19 - Related Rent Concessions	30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework		1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use		1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract		1 January 2022
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020		1 January 2022

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	Classification of Liabilities as current or non-current	1 January 2023
Amendments to MFRS 108	Presentation of Financial Statements	2 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 2021.

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.

- For the quarter ended 31 March 2022

Part A – Explanatory Notes Pursuant to MFRS 134

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

During the current quarter under review, there is no issuance of equity securities for the company.

A8. Dividends

There was no dividend 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.

- For the quarter ended 31 March 2022

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
31 March 2022						
Revenue						
External customers	-	8,006	33	8,039	(817)	7,222
Inter-segment	-	-	-	-	-	-
Total revenue	-	8,006	33	8,039	(817)	7,222
Result						
Interest income	-	19	-	19	-	19
Profit / (loss) before taxation	-	929	(229)	700	(583)	117
Taxation	-	-	-	-	-	-
Segment profit / (loss)	-	929	(229)	700	(583)	117
Assets						
Segmental assets	-	79,003	58,921	137,924	(21,834)	116,090
Including in the measurement of assets are:						
Capital expenditure relating to:						
- property, plant and equipment	-	3	-	3	-	3
Liabilities						
Segment liabilities	-	23,003	12,193	35,196	-	35,196
Other non-cash item						
Depreciation of:						
- properties, plant and equipment	-	(46)	-	(46)	-	(46)

- For the quarter ended 31 March 2022

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
31 March 2021						
Revenue						
External customers	-	11,776	37	11,813	-	11,813
Inter-segment	-	8,005	-	8,005	(8,005)	-
Total revenue	-	11,776	37	11,813	-	11,813
Result						
Profit / (loss) before taxation	-	1,118	(376)	742	(176)	566
Taxation	-	(194)	(7)	(201)	-	(201)
Segment profit / (loss)	-	924	(383)	541	(176)	365
Assets						
Segment assets	-	59,927	59,524	119,451	(21,010)	98,441
Including in the measurement of assets are:						
Capital expenditure relating to:						
- property, plant and equipment	-	1	-	1	-	1
Liabilities						
Segment liabilities	-	21,784	7,194	28,978	-	28,978
Other non-cash item						
Depreciation of property,						
- plant and equipment	-	(63)	(1)	(64)	-	(64)
- right of use assets	-	(52)	-	(52)	-	(52)

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.

- For the quarter ended 31 March 2022

Part A – Explanatory Notes Pursuant to MFRS 134

A13. Capital Commitments

Provided for:

	RM'000
Fivestar Development (Puchong) Sdn Bhd	11,731
	<u>11,731</u>

Not provided for:

	RM'000
Encik Muhammad Shafiq Bin Jamuri and Encik Mohd Yusof Bin Abu Hassan	4,165
	<u>4,165</u>

Save for the above material capital commitments, there is no other material capital commitments under the quarter review.

A14. Significant Events and Transactions

- a) On 17 January 2022, that the Company entered into a Heads of Agreement with 5G Infra Tech Solution Sdn Bhd (Formerly known as NMS Engineering Sdn Bhd) to invest through redeemable convertible preference shares ("RCPS") led by SMTrack in 5G Infra Tech.

- b) On 26 January 2022, the Company had entered into a Joint Venture Agreement ("JVA") with Menara Rezeki Sdn. Bhd. to develop the mixed residential and retail development in 3 phases at Jalan Tun Razak, Kampung Baru, Wilayah Persekutuan on a leasehold land measuring approximately 3.69 acres in area. The JVA was subsequently mutually terminated on 11 April 2022.

Save for the above material capital commitments, there is no other material significant events and transactions under the quarter review.

A15. Subsequent Events

There were no subsequent events under the quarter.

- For the quarter ended 31 March 2022

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
	31-Mar-22 RM'000	31-Mar-21 RM'000	RM'000	31-Mar-22 RM'000	31-Mar-21 RM'000	RM'000
Revenue	7,222	11,813	(4,591)	7,222	11,813	(4,591)
Gross profit	2,233	1,988	245	2,233	1,988	245
Other incomes	19	7	12	19	7	12
Profit / (loss) before tax	117	566	(449)	117	566	(449)
Profit / (loss) after tax	117	365	(248)	117	365	(248)

Performance of the current quarter against the same quarter in the preceding year.

The Group reported the first quarter revenue of RM7.222 million in year 2022 as compare with RM 11.813 million in year 2021. The decrease in revenue recognition in year 2022 as compare with year 2021 is mainly due the the Amani Residences project completed in December 2021 and the balance of revenue recognition after the Group able to handed over vacant possession to purchasers in February 2022.

The Group reported gross profit of RM2.233 million in year 2022 as compare with RM1.988 million in year 2021. The gross profit recognition is higher is mainly due to cost saving derive from project finalisation.

The profit before tax decreased from RM0.566 million to RM0.117 million was mainly due to higher operation cost.

B2. Comparison with Preceding Quarter's Results

	Current Quarter	Immediate Preceding Quarter	Changes
	31-Mar-22 RM'000	31-Dec-21 RM'000	RM'000
Revenue	7,222	26,782	(19,560)
Gross profit	2,233	14,943	(12,710)
Profit / (loss) before tax	117	2,179	(2,062)
Profit / (loss) after tax	117	15	102

The performance of current quarter was decrease as compare with preceding quarter was mainly due to balance of revenue and cost recognition upon Amani Residences project handed over to purchasers in February 2022. Majority of the revenue and profit has been recognised in forth quarter 2021.

B3. Future Prospects

In view of the current economic outlook and COVID-19 pandemic effect, the results of the Group in future may be affected, especially in the year of 2022. The Board in the opinion that 202 will remain a challenging year because of the uncertainties of when the COVID-19 pandemic will be over. However the recent budget had provide some incentive to first home buyer that may provide some help to our business in property industry. Since Amani Residences has been completed, in order to ensure long term sustainable business for the Group, the Board together with the Management will continue to source for new lands for future development and other business opportunity.

B4. Variance on Profit Forecast / Profit Guarantee

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

- For the quarter ended 31 March 2022

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:-

	31-Mar-22	31-Mar-21
	RM'000	RM'000
Current tax	-	201
	-	201

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 8 February 2021, the Board of Directors had received the approval from Bursa Securities Malaysia Berhad for the proposed establishment of a Share Issuance Scheme ("SIS") of up to 15% of the total number of issued shares of Jiankun (excluding Treasury Shares, if any) for eligible directors and employees of the Company and its subsidiaries ("Proposed SIS").

The board on 9 July 2021 announced the effective date for the implementation of the SIS and on 3 August 2021 the Company allocation 31,180,000 of SIS to its Employees. Neither Directors nor employees had exercised their rights to convert the SIS into shares of the Company.

B9. Group Borrowings

There was no bank borrowings for the quarter under review.

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

On 28 July 2021, Nagamas Venture Sdn. Bhd., a subsidiary company of Jiankun International Berhad filed the Writ of Summon and Statement of Claim was due to the fact Silverland Capital Sdn Bhd failed to settle an outstanding sum of RM4,430,000.00 which is a part of the Agreed Compensation sum that was agreed upon by the parties in view of the termination of the Project Delivery Agreement executed on 9 June 2012.

The Court has fixed the hearing of the Summary Judgement application on 22 June 2022.

Save for the above, there was no other material litigation for the Group for the quarter under review.

- For the quarter ended 31 March 2022

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 31-Mar-22 RM'000	Preceding Year Quarter 31-Mar-21 RM'000	Current Year To Date 31-Mar-22 RM'000	Preceding Year To Date 31-Mar-21 RM'000
Profit / (Loss) after tax	117	365	117	365
Number of ordinary shares issued as at 1 January	213,706	166,845	213,706	166,845
Effect of shares issuance	-	18,668	-	18,668
Weighted Average number of ordinary shares issued	213,706	185,513	213,706	185,513
Basic EPS (Sen)	0.05	0.20	0.05	0.20

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-22 RM'000	Preceding Year Quarter 31-Mar-21 RM'000	Current Year To Date 31-Mar-22 RM'000	Preceding Year To Date 31-Mar-21 RM'000
Profit / (Loss) after tax	117	365	117	365
Weighted Average number of ordinary shares issued	213,706	185,513	213,706	185,513
Assume shares issued from full exercise of warrants	-	74,205	-	74,205
Adjusted Weighted Average number of ordinary shares issued	213,706	259,718	213,706	259,718
Diluted EPS (Sen)	0.05	0.14	0.05	0.14

B13. Notes to the Statement of Comprehensive Income

	Current Year Ended 31-Mar-22 RM'000	Preceding Year Ended 31-Mar-21 RM'000
Profit for the period is arrived at after charging:		
Interest expenses	-	1
Depreciation and amortization	46	64
and after crediting:		
Interest income	19	1

- For the quarter ended 31 March 2022

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
	31-Mar-22 RM '000	31-Mar-21 RM '000
Total realised losses	29,198	(6,356)
Total unrealised profits/(loss)	6,223	6,304
	<u>35,421</u>	<u>(52)</u>
Consolidated adjustment	(2,868)	(1,863)
Total accumulated profit/(loss)	<u>32,553</u>	<u>(1,915)</u>

By Order of the Board

Date: 20 May 2022