

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

Interim Financial Report
31/12/2014

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Interim Financial Report

31-Dec-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 December 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Dec-14 RM'000	Preceding Year Quarter 31-Dec-13 RM'000	Current Year To date 31-Dec-14 RM'000	Preceding Year To date 31-Dec-13 RM'000
Revenue	2,303	886	5,429	6,349
Cost of Sales	(2,086)	(911)	(4,427)	(4,751)
Operating profit	217	(25)	1,002	1,598
Revaluation of Investment Properties	50	11,087	50	11,087
Other Income	1	18	7	38
Gain on disposal of subsidiary	1,706	-	1,706	-
Administration and general expenses	(2,294)	(1,316)	(4,683)	(3,708)
Finance costs	(3)	(51)	(49)	(165)
Profit /(loss) before taxation	(323)	9,713	(1,967)	8,850
Taxation	(25)	(4,209)	(25)	(4,209)
Net profit/(loss) for the period	(348)	5,504	(1,992)	4,641
Other comprehensive income after tax:				
Net currency translation differences	1,048	917	1,058	914
Other comprehensive income for the period, net of tax	1,048	917	1,058	914
Total comprehensive income for the period	700	6,421	(934)	5,555
Net profit/(loss) attributable to:				
- Owners of the parent	(348)	5,504	(1,992)	4,641
- Minority interest	-	-	-	-
	(348)	5,504	(1,992)	4,641
Total comprehensive income attributable to:				
- Owners of the parent	700	6,421	(934)	5,555
- Minority interest	-	-	-	-
	700	6,421	(934)	5,555
Earnings per share (sen) for loss attributable to owners of the Parent				
-Basic (sen)	(0.23)	10.81	(1.31)	9.12
-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 December 2014

	31-Dec-14 (Unaudited) RM'000	31-Dec-13 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	3	101
Motor Vehicle	-	344
Investment properties	22,212	20,813
	<u>22,215</u>	<u>21,258</u>
Current Assets		
Property Development Costs	-	4,306
Trade Receivables	4,891	2,410
Other Receivables	-	4,611
Cash & Bank Balances	25,204	253
	<u>30,095</u>	<u>11,580</u>
TOTAL ASSETS	<u>52,310</u>	<u>32,838</u>
Equity		
Share Capital	37,919	50,895
Accumulated Profit/(Losses)	4,870	(35,149)
Current Retained Profit/(Losses)	(1,992)	4,641
Capital Reserve	2,793	
Translation Adjustment Account	1,215	157
Total Equity	<u>44,805</u>	<u>20,544</u>
Non Current Liabilities		
Hire Purchase	-	181
Deferred taxation	4,695	4,386
	<u>4,695</u>	<u>4,567</u>
Current Liabilities		
Trade Payables	-	806
Progress billings	-	179
Other Payables & Accruals	2,810	5,834
Bank borrowing	-	849
Hire Purchase	-	59
	<u>2,810</u>	<u>7,727</u>
Total Liabilities	7,505	12,294
Total Equity And Liabilities	<u>52,310</u>	<u>32,838</u>
Net assets per share	0.2954	0.4037

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

	< ----- <i>Non-distributable</i> ----- >			<i>Distributable</i>	
	Share Capital RM'000	Translation RM'000	Capital Reserve 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
Currency translation differences	-	(120)	-	-	(120)
Cancellation of RM0.75 par value	(38,171)	-	38,171	-	-
Capital reserve	-	-	(35,378)	35,378	-
Net loss for the quarter	-	-	-	(173)	(173)
Balance as at 30 September 2014	12,724	167	2,793	3,226	18,910
Currency translation differences	-	1,048	-	-	1,048
Increase in paid up capital	25,195	-	-	-	25,195
Capital reserve	-	-	-	-	-
Net profit for the quarter	-	-	-	(348)	(348)
Balance as at 31 December 2014	37,919	1,215	2,793	2,878	44,805

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 December 2014

	Period Ended 31-Dec-14 RM'000	Period Ended 31-Dec-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,967)	8,850
Adjustment for:		
Depreciation	2	99
Interest expenses	-	165
Gain on unrealised forex	309	(1,089)
Adjustment in Accumulated losses	35,379	-
Revaluation of investment properties	(1,399)	(11,087)
Operating profit/(loss) before working capital changes	<u>32,324</u>	<u>(3,062)</u>
Increase/(Decrease) in Development Properties Costs	4,305	(596)
(Decrease)/Increase in receivables	(891)	516
(Increase)/Decrease in payable	(3,970)	3,442
Decrease in amount due from customer on contract	-	131
Loss on disposal of Property, Plant and Equipment	-	11
Net cash generated from/(used in) operating activities	<u>31,768</u>	<u>442</u>
Interest expenses	-	(165)
Tax refunded	-	-
	<u>31,768</u>	<u>277</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase/(Decrease) in Share Capital	(12,975)	-
Increase/(Decrease) in Capital Reserves	2,793	-
Purchase of motor vehicle	-	(413)
Purchase/(Disposal) of property, plant & equipment	95	-
Disposal of subsidiary	3,300	-
Net cash used in investing	<u>(6,787)</u>	<u>(413)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of hire purchase	(240)	240
Interest paid	-	(165)
Repayment of bank loan	(848)	(1,170)
Net cash generated from financing activities	<u>(1,088)</u>	<u>(1,095)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	23,893	(1,231)
EFFECT ON TRANSLATION DIFFERENCES	1,058	1,090
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	253	394
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>25,204</u></u>	<u><u>253</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 December 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	Investment Entities : Improvements to FRSs (2012) : Investment entities	1-Jan-14
FRS 12	Amendments to FRS 12: Improvements to FRSs (2012) : Investment entitites	1-Jan-14
FRS 127	Investment Entities : Improvements to FRS 10, FRS 12 and FRS 127)	1-Jan-14
FRS 132	Amendment to FRS 132 : Offsetting Financial Assets and Financial Liabilities	1-Jan-14
FRS 136	Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1-Jan-14
FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1-Jan-14
IC Interpretation 21	Levies	1-Jan-14
FRS 2	Amendments to FRS 2 (Annual Improvements to FRSs 2010-2012 Cycle)	1-Jul-14
FRS 3	Amendments to FRS 3 (Annual Improvements to FRSs 2010-2012 Cycle)	1-Jul-14
FRS 3	Amendments to FRS 2 (Annual Improvements to FRSs 2011-2013 Cycle)	1-Jul-14
FRS 8	Amendments to FRS 8 (Annual Improvements to FRSs 2010-2012 Cycle)	1-Jul-14
FRS 13	Amendments to FRS 13 (Annual Improvements to FRSs 2011-2013 Cycle)	1-Jul-14
FRS 116	Amendments to FRS 116 (Annual Improvements to FRSs 2010-2012 Cycle)	1-Jul-14
FRS 119	Amendments to FRS 119 (Defined Benefit Plans: Employee Contributions)	1-Jul-14
FRS 124	Amendments to FRS 124 (Annual Improvements to FRSs 2010-2012 Cycle)	1-Jul-14
FRS 138	Amendments to FRS 138 (Annual Improvements to FRSs 2010-2012 Cycle)	1-Jul-14
FRS 140	Amendments to FRS 140 (Annual Improvement to FRSs 2011-2013 Cycle)	1-Jul-14
FRS 9	Financial Instruments	1-Jan-15
FRS 7	Amendments to FRS 9	1-Jan-15

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

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Part A – Explanatory Notes Pursuant to FRS 134

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

		Effective
FRS 10	Share or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 10 and FRS 128)	1-Jan-16
FRS 10	Investment Entities: Applying the Consolidation Exception (Amendments to FRS 10, frs 12 and FRS 128)	1-Jan-16
FRS 12	Investment Entities: Applying the Consolidation Exception (Amendments to FRS 10, frs 12 and FRS 128)	1-Jan-16
FRS 14	Regulatory Deferral Accounts	1-Jan-16
FRS 11	Amendments to FRS 11 (Accounting for Acquisitions of Interests in Joint Operations)	1-Jan-16
FRS 101	Disclosure Initiative (Amendments to FRSs 2012)	1-Jan-16
FRS 116	Amendments to FRS 116 (Clarification of Acceptable Methods of Depreciation and Amortisation)	1-Jan-16
FRS 119	Amendments to FRS 119 (Annual Improvements to FRSs 2012-2014 Cycle)	1-Jan-16
FRS 127	Equity Method in Separate Financial Statements (Amendments to FRS 127)	1-Jan-16
FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 10 and FRS 128)	1-Jan-16
FRS 128	Investment Entities: Applying the Consolidation Exception (Amendments to FRS 10, frs 12 and FRS 128)	1-Jan-16
FRS 134	Amendment to FRS 134 (Annual Improvements to FRSs 2012-2014 Cycle)	1-Jan-16
FRS 138	Amendments to FRS 116 and FRS 138 (Clarification of Acceptable Methods of Depreciation and Amortisation)	1-Jan-16

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 2017. 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 2017.

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 has up to financial year ending 31 December 2017 to comply with the requirements of MFRS.

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Part A – Explanatory Notes Pursuant to FRS 134

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 was issuances of new shares of 100,786,520 ordinary shares of RM0.25 each during the quarter under review. There was no repayment of debt and equity securities for the quarter under review.

A8. Dividends

No dividend is being proposed or paid for this quarter.

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	-	5,429	-	5,429
Inter-segment sales	-	-	-	-
Total Revenue	-	5,429	-	5,429
Segment result-external Profit/(loss) before taxation	(31)	(1,936)		(1,967)
Taxation				(25)
Profit/(Loss) after taxation				(1,992)
Segment assets	-	52,310		52,310
Segment liabilities	287	7,218		7,505

Part A – Explanatory Notes Pursuant to FRS 134

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

There was valuation of investment properties during the quarter under review in compliance with FRS 140 on Investment Property and some disposal of property, plant and equipment taken place during the quarter under review.

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 30th December 2014, the new issuance of shares was duly listed on Bursa Malaysia Securities Berhad. There was no exercise of warrants during the quarter under review.

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.

A14. Significant related party transactions

(a) Related party relationship

There was no related party transaction taken part during the quarter under review.

(b) Related party transactions

There was no related party transaction taken part during the quarter under review.

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 (Dec 2014 vs Dec 2013)

For the quarter under review, the Group registered a revenue of RM2,303,000 and a net loss after taxation of RM348,000 compared to a revenue of RM886,000 and a net profit after taxation of RM5.5 million 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	
	31-Dec-14	31-Dec-13		
	RM'000	RM'000	%	RM'000
Services	0	350	-100.00%	(350)
Property and investment holdings	2,303	536	329.66%	1,767
	2,303	886	159.93%	1,417

The increase in revenue as compared in preceding quarter was focusing on the property development for completion to handover the units before end of the year. The wholly owned subsidiary Nagamas Land Development Sdn Bhd managed to deliver 24 units of double storey houses on Mantin Project with CCC on 3rd December 2014.

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

B2. Comparison with Preceding Quarter's Results (Dec 2014 vs Sept 2014)

Revenue recorded for current quarter was RM2,303,000, an increased of RM1,196,000 compared the revenue on preceding quarter 30 Sept 2014 of RM1,107,000. Loss after taxation for the quarter was RM348,000 compared to a loss after taxation of RM173,000 in the preceding quarter. The loss after tax was additional administration fees on completion of corporate exercise.

B3. Future Prospects

The Group has entered into a project management services agreement recently with Juara Gred Development Sdn Bhd. In addition, the Group would continue finding opportunity on acquiring of land for development in Klang Valley.

B4. Variance on Profit Forecast / Profit Guarantee

Not applicable.

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. The tax incurred by subsidiary in Hong Kong was purely based on deferred tax due to revaluation of properties.

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

The Group has disposed its fully owned subsidiary Nagamas Land Development Sdn Bhd, with a profit on disposal of RM1.7 million to the Group.

B7. Purchase or Disposal of Quoted Securities

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

B8. Group Borrowings

The Group has discharge as Corporate Guarantor in line with disposal of its fully owned subsidiary Nagamas Land Development Sdn Bhd. There is no further borrowing for the Group.

B9. Off Balance Sheet Financial Instruments

None.

B10. Material Litigation

None.

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

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 of
 EPS for the quarter is as follows:-

	RM'000	
Basic in sen	<u>(348)</u>	
	151,677	
	=	<u><u>(0.23)</u></u>
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 31-Dec-14 RM'000	Current Year to date 31-Dec-14 RM'000
Interest expenses	3	49
Depreciation and amortization	<u>2</u>	<u>2</u>

B13. Realised and Unrealised Profits/Losses Disclosure

	Current Quarter Ended 31-Dec-14 RM '000	Preceding Quarter Ended 31-Dec-13 RM '000
Total realised losses	(32,476)	(26,300)
Total unrealised profits/(loss)	(25)	(4,209)
Less : Consolidated adjustment	35,379	-
Total accumulated Profit/(loss)	<u><u>2,878</u></u>	<u><u>(30,509)</u></u>

By Order of the Board