

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

**Interim Financial Report**  
**30 June 2017**

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JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- For the quarter ended 30 June 2017

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-17 RM'000	Preceding Year Quarter 30-Jun-16 RM'000	Current Year To date 30-Jun-17 RM'000	Preceding Year To date 30-Jun-16 RM'000
<b>Revenue</b>	13,653	5,558	21,616	8,987
Cost of Sales	(11,209)	(5,085)	(16,908)	(7,903)
<b>Gross Profit</b>	2,444	473	4,708	1,084
Other Income	-	-	-	-
Selling and marketing expenses	(163)	(3)	(181)	(11)
Administrative expenses	(1,727)	(1,078)	(3,310)	(1,950)
Operating profit	554	(608)	1,217	(877)
Interest income	4	13	5	21
Finance costs	(20)	-	(292)	(1)
<b>Profit /(loss) before taxation</b>	538	(595)	930	(857)
Taxation	-	-	-	-
<b>Net profit/(loss) for the period</b>	538	(595)	930	(857)
<b>Other comprehensive income after tax:</b>				
Net currency translation differences	5	(13)	(4)	(7)
<b>Other comprehensive income for the period, net of tax</b>	5	(13)	(4)	(7)
<b>Total comprehensive income for the period</b>	543	(608)	926	(864)
<b>Net profit/(loss) attributable to:</b>				
- Owners of the parent	538	(595)	930	(857)
- Minority interest	-	-	-	-
	538	(595)	930	(857)
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent	543	(608)	926	(864)
- Minority interest	-	-	-	-
	543	(608)	926	(864)
<b>Earnings per share attributable to the owner of the Company (sen) attributable to owners of the Parent</b>				
-Basic (sen)	0.35	(0.39)	0.61	(0.57)
-Diluted (sen)	0.23	(0.26)	0.39	(0.38)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 June 2017

	30-Jun-17 (Unaudited) RM'000	31-Dec-16 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	220	224
Investment properties	28,092	28,092
	<u>28,312</u>	<u>28,316</u>
<b>Current Assets</b>		
Property Development Costs	20,989	27,279
Trade Receivables	13,411	7,274
Other Receivables	33,847	31,195
Tax Recoverable	523	293
Cash & bank balances	4,344	658
	<u>73,114</u>	<u>66,699</u>
<b>TOTAL ASSETS</b>	<b><u>101,426</u></b>	<b><u>95,015</u></b>
<b>Equity</b>		
Share Capital	41,863	37,919
Reserves	8,605	7,679
Total Equity	<u>50,468</u>	<u>45,598</u>
<b>Non Current Liabilities</b>		
Finance lease payable	71	64
Bank borrowing	25,845	31,454
Deferred taxation	5,813	5,813
	<u>31,729</u>	<u>37,331</u>
<b>Current Liabilities</b>		
Trade Payables	8,178	9,130
Other Payables & Accruals	6,084	1,851
Finance lease payable	13	9
Bank borrowing	4,954	1,096
	<u>19,229</u>	<u>12,086</u>
Total Liabilities	50,958	49,417
<b>Total Equity And Liabilities</b>	<b><u>101,426</u></b>	<b><u>95,015</u></b>
Net assets per share (RM)	0.33	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 2016 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 2017

	< ----- Non-distributable ----- >				Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Capital Reserve	Accumulated Losses	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2017	37,919	6,069	13,606	2,793	(14,789)	45,598
Issuance of share	3,944	-	-	-	-	3,944
Net loss for the period	-	-	-	-	930	930
Currency translation differences	-	(4)	-	-	-	(4)
Balance as at 30 June 2017	41,863	6,065	13,606	2,793	(13,859)	50,468

	< ----- Non-distributable ----- >				Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Capital Reserve	Accumulated Losses	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2016	37,919	5,173	13,606	2,793	(11,383)	48,108
Net loss for the period	-	-	-	-	(857)	(857)
Currency translation differences	-	(7)	-	-	-	(7)
Balance as at 30 June 2016	37,919	5,166	13,606	2,793	(12,240)	47,244

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017**

	<b>Period Ended 30-Jun-17 RM'000</b>	<b>Period Ended 30-Jun-16 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	930	(857)
Adjustment for:		
Depreciation	28	9
Interest expenses	1	-
Interest income	(5)	(8)
Operating profit/(loss) before working capital changes	<u>954</u>	<u>(856)</u>
(Increase)/Decrease in Development Properties Costs	7,176	(1,296)
(Increase)/Decrease in trade receivables	(7,010)	217
(Increase)/Decrease in other receivables	(787)	(1,088)
(Decrease)/Increase in trade payables	1,207	662
(Decrease)/Increase in other payables	1,306	741
Net cash generated from/(used in) operating activities	<u>2,846</u>	<u>(1,620)</u>
Interest expenses	(1,093)	-
Interest received	5	8
Tax paid	(230)	-
	<u>1,528</u>	<u>(1,612)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(23)	(47)
Net cash used in investing activities	<u>(23)</u>	<u>(47)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowing	(1,752)	-
Drawdown/(Repayment) of hire purchase	(7)	-
Proceed from issuance of share	3,944	-
Decrease / (Increase) in fixed deposit place with license bank	-	2,058
Interest paid	-	-
Repayment of bank loan	-	-
Net cash generated from financing activities	<u>2,185</u>	<u>2,058</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,690	399
<b>EFFECT ON TRANSLATION DIFFERENCES</b>	(4)	(7)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	658	1,808
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u><u>4,344</u></u>	<u><u>2,200</u></u>
<b>Cash and cash equivalents comprise:-</b>		
Fixed deposit with licensed bank	-	-
Cash and bank balance	4,344	2,200
	<u>4,344</u>	<u>2,200</u>
Less: Fixed deposit pledged with licensed bank	-	-
	<u><u>4,344</u></u>	<u><u>2,200</u></u>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.*

## JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 30 June 2017

### 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 2016.

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 2016.

#### 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:-

		<b>Effective</b>
Amendments to FRS 107	Disclosure Initiative	1-Jan-17
Amendments to FRS 112	Recognition of Deferred Tax Asset for Unrealised losses	1-Jan-17
Annual Improvements to FRS 2014-2016 Cycle		
Amendments to FRS 12	Investment Entities: Applying the Consolidation Exception	1-Jan-17

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:

		<b>Effective</b>
Amendments to FRS 1		1-Jan-18
Amendments to FRS 128		1-Jan-18
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1-Jan-18
Amendments to FRS 2	Classification and measurement of Share-based payment Transactions	1-Jan-18
Amendments to FRS 140	Transfers of Investment Property	1-Jan-18
Amendments to FRS 4	Applying FRS 9 <i>Financial Instruments</i> with FRS 4 <i>Insurance Contracts</i>	1-Jan-18 *
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1-Jan-18
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

*Note:*

\* Entities that meet the specific criteria in FRS 4, paragraph 20B, may choose to defer the application of FRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

The Group and the Company intend to adopt the above FRSs when they become effective.

The initial application of the abovementioned FRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

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

**A2. Changes in Accounting Policies (Cont.)**

FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 Financial Instruments: *Recognition and Measurement*.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting FRS 9.

**New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is 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 Agriculture and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2018. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these quarterly financial statements for the financial year ended 31 December 2016 could be different if prepared under the MFRS Framework.

**A3. Declaration of Qualification of Audit Report**

There was no qualification in the audited report for the year ended 31 December 2016.

**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.



**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
**- For the quarter ended 30 June 2017**

**Part A – Explanatory Notes Pursuant to FRS 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 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 review.

**A8. Dividends**

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.

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.

<b>Group</b>	<b>Project management and advisory</b>	<b>Property development and construction</b>	<b>Property management and investment holding</b>	<b>Total segments</b>	<b>Adjustments and elimination</b>	<b>Total operation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2017</b>						
<b>Revenue</b>						
External customers	-	21,596	20	21,616	-	21,616
Inter-segment	-	8,047	-	8,047	(8,047)	-
Total revenue	-	29,643	20	29,663	(8,047)	21,616
<b>Result</b>						
Interest income	-	5	-	5	-	5
Interest expenses	-	(1)	-	(1)	-	(1)
Property development and construction	-	1,610	(393)	1,217	-	1,217
Profit before taxation	-	1,614	(393)	1,221	-	1,221
Taxation	-	-	-	-	-	-
Segment profit	-	1,614	(393)	1,221	-	1,221

Part A – Explanatory Notes Pursuant to FRS 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
<b>Assets</b>						
Capital expenditure	-	13,194	-	13,194	-	13,194
Segment assets	-	73,596	28,498	102,094	-	102,094
Total assets	-	86,790	28,498	115,288	-	115,288
<b>Liabilities</b>						
Segment liabilities	-	44,087	6,293	50,380	-	50,380
<b>Other non-cash item</b>						
Depreciation of property, plant and equipment	-	-	(28)	(28)	-	(28)
Waiver of liability	-	-	-	-	-	-
<b>Group</b>						
	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 2016</b>						
<b>Revenue</b>						
External customers	117	8,846	24	8,987	-	8,987
Inter-segment	-	-	65	65	(65)	-
Total revenue	117	8,846	89	9,052	(65)	8,987
<b>Result</b>						
Interest income			21	21	-	21
Profit before taxation	117	8,846	110	9,073	(65)	9,008
Taxation	-	-	-	-	-	-
Segment profit	117	8,846	110	9,073	(65)	9,008
<b>Assets</b>						
Capital expenditure	-	24,707	-	24,707	-	24,707
Segment assets	180	22,935	26,938	50,053	-	50,053
Total assets	180	47,642	26,938	74,760	-	74,760
<b>Liabilities</b>						
Segment liabilities	83	22,065	5,368	27,516	-	27,516
<b>Other non-cash item</b>						
Depreciation of property, plant and equipment	-	(1)	(8)	(9)	-	(9)

A12. Changes in the composition of the Group

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

A13. 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 June 2017**

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

**A14. Significant related party transactions**

Save for the related party transactions disclosed, there is no other material related party transactions for the current quarter and financial year-to-date.

(a) Related party relationship

- i) Lee Leong Kui is an Executive Director of the Company and he is also a Director and hold 30% of Juara Gred Development Sdn Bhd ("JGDSB").
- ii) Foong Kah Heng is an Executive Director of the Company and substantial shareholder of the Company with direct interest of 4.96% and an indirect equity interest of 11.13% via FS Motorsports Sdn. Bhd. He is also a Director and 40% shareholder of JGDSB

(b) Related party transactions

-Sales of Services	-
-Purchase of Services	-

- i) On 26 December 2014, Nagamas Venture Sdn. Bhd. ("NVSB") had entered for the project management services agreement with JDGSB as Project Management Services Consultant to provide project management, professional and advisory services for a lump sum professional fee of RM1,000,000. ("Project Management Services")
- ii) On 20 March 2015, NVSB had accepted a Letter of Award from JGDSB for the Work, for a provisional contract sum of RM32,922,000. The provisional contract sum is based on an indicative quantity of material and labour to be supplied as per the preliminary construction drawings and is subject to quantities re-measurement based on the as-build drawings and final account upon completion of the Project. ("Letter of Award")

(c) Related party transactions status

	Contract Sum RM'000	Utilisation RM'000	Balance RM'000
Project Management Services	1,000	892	108
Letter of Award	32,922	28,676	4,246
	<u>33,922</u>	<u>29,568</u>	<u>4,354</u>

**A15. Capital Commitments**

There was no material capital commitments for 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**

For the quarter under review, the Group recorded a revenue of RM13.65 million and a net profit before taxation of RM0.54 million compared to a revenue of RM5.56 million and a net loss before taxation of RM0.60 million in the preceding year's corresponding quarter.

On cumulative period basis, the Group recorded a revenue of RM21.62 million and net profit before tax of RM0.93 million as compare with preceding year corresponding period of RM8.99 million with a net loss before tax of RM0.86 million.

Financial review for current quarter and financial year to date are as follow:

	Individual Quarter			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To-date	Preceding year Corresponding Period	Changes
	30-Jun-17 RM'000	30-Jun-16 RM'000	RM'000	30-Jun-17 RM'000	30-Jun-16 RM'000	RM'000
Revenue	13,653	5,558	8,095	21,616	8,987	12,629
Operating profit	554	(608)	1,162	1,217	(877)	2,094
Profit before interest and tax	554	(608)	1,162	1,217	(877)	2,094
Profit before tax	538	(595)	1,133	930	(857)	1,787
Profit after tax	538	(595)	1,133	930	(857)	1,787
<b>Profit / (loss) attributable to ordinary equity holders of the parent</b>	538	(595)	1,133	930	(857)	1,787

The revenue of RM13.65 million was derived from the development projects of Bayu Heights 2 at Sri Kembangan and Amani Residences at Bandar Puteri respectively. Both projects were launched at the first quarter. The net profit before tax of RM0.54 million was fully contributed by both projects.

In comparison with preceding year quarter, the revenue was mainly contributed by construction, project management and advisory of 3-storey semi-detach factory. The project has been completed in December 2016.

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

The revenue of current quarter has been increased from the preceding quarter RM7.96 million to RM13.65 million or 71.46%. The increased in revenue resulted the net profit before tax for current quarter increased from RM0.39 million to RM0.54 million or 37.24%.

The increased in revenue and net profit before tax was due to increase in sales for both project located in Sri Kembangan and Bandar Puteri.

Financial review for current quarter compare with immediate preceding quarter are as follow:

	Current Quarter	Immediate Preceding quarter	Changes
	30-Jun-17 RM'000	31-Mar-17 RM'000	%
Revenue	13,653	7,963	71.46
Operating profit	554	663	(16.44)
Profit before interest and tax	554	663	(16.44)
Profit before tax	538	392	37.24
Profit after tax	538	392	37.24
<b>Profit / (loss) attributable to ordinary equity holders of the parent</b>	538	392	37.24

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

**B3. Future Prospects**

Based on current economic conditions, weak property market sentiment and high inventory carry forward from 2016, the Board will foresee that the property market will remain stable and flat in 2017 and expected the market likely to be recovered in 2018.

In order to ensure sustainable of the growth of the Group, the Board together with the Management actively looking into new development project by acquisition of land or Joint Venture with land owner.

The Board in the view that the Group future prospects in short term will strongly depend on the current two development projects. However for long term prospects, the acquisition of land and joint venture for new project being the ultimate objective for the Group.

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

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

**B5. Taxation**

There was no taxation required for the quarter under review.

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.

**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**

**Utilisation of Proceeds From Private Placement**

On 4 May 2017, the Company has successfully raised RM3,943,602.00 from Private Placement of up to ten percent (10%) of the existing share capital. The utilisation of proceed is as follow:

Purpose	Estimated Timeframe	Amounts	Actual Utilisation	Balance
		RM,000	RM,000	RM,000
Working Capital	Within 12 months from the listing of the shares	3,844	3,262	582
Estimated expenses in relation to the Proposed Private Placement	Within 2 months from the listing of the shares	100	77	23
		<u>3,944</u>	<u>3,339</u>	<u>605</u>

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

**B9. Group Borrowings**

During the quarter under review, the Group borrowing is as follow:

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>As At</b>	<b>As At</b>
	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Secured:</b>		
<b>Short term:</b>		
Hire purchase	13	-
Bridging loan	-	-
Term loan	4,954	-
	<u>4,967</u>	<u>-</u>
<b>Long term:</b>		
Hire purchase	71	-
Bridging loan	712	-
Term loan	25,133	15,750
	<u>25,916</u>	<u>15,750</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 by the Group for the quarter under review.

**B12. 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 ordinary shares outstanding during the period.

EPS for the quarter is as follows:-

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding</b>	<b>Current Year</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Year Quarter</b>	<b>To Date</b>	<b>Year To Date</b>
	<b>30-Jun-17</b>	<b>30-Jun-16</b>	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit / (Loss) after tax	538	(595)	930	(857)
Weighted Average number of ordinary shares issued	151,678	151,678	151,678	151,678
<b>Basic EPS (Sen)</b>	<u><b>0.35</b></u>	<u><b>(0.39)</b></u>	<u><b>0.61</b></u>	<u><b>(0.57)</b></u>
Profit / (Loss) after tax	538	(595)	930	(857)
Weighted Average number of ordinary shares issued	151,678	151,678	151,678	151,678
Proposed private placement share issue	10,778	-	10,778	-
Assume shares issued from exercise of warrants	75,587	75,587	75,587	75,587
Adjusted Weighted Average number of ordinary shares issued	238,043	227,265	238,043	227,265
<b>Diluted EPS (Sen)</b>	<u><b>0.23</b></u>	<u><b>(0.26)</b></u>	<u><b>0.39</b></u>	<u><b>(0.38)</b></u>

**JIANKUN INTERNATIONAL BERHAD (111365-U)**  
**- For the quarter ended 30 June 2017**

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

**B13. Notes to the statement of comprehensive income**

Profit for the period is arrived at after charging:

	<b>Current Quarter Ended</b>	<b>Current Year to Date Ended</b>
	<b>30-Jun-17 RM'000</b>	<b>30-Jun-17 RM'000</b>
Depreciation and amortization	<u>28</u>	<u>9</u>
and after crediting:		
Interest income	<u>5</u>	<u>8</u>

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

	<b>Current Quarter Ended</b>	<b>Preceding Quarter Ended</b>
	<b>30-Jun-17 RM '000</b>	<b>30-Jun-16 RM '000</b>
Total realised losses	(23,177)	(20,209)
Total unrealised profits/(loss)	<u>5,813</u>	<u>6,442</u>
	(17,364)	(13,767)
Less : Consolidated adjustment	(3,505)	(3,023)
Total accumulated Profit/(loss)	<u>(13,859)</u>	<u>(10,744)</u>

**By Order of the Board**  
**Date: 22 August 2017**