



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

**Interim Financial Report
31 March 2020**

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Interim Financial Report

31 March 2020

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JIANKUN INTERNATIONAL BERHAD (111365-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- For the quarter ended 31 March 2020

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-20 RM'000	Preceding Year Quarter 31-Mar-19 RM'000	Current Year To date 31-Mar-20 RM'000	Preceding Year To date 31-Mar-19 RM'000
Revenue	19,213	6,817	19,213	6,817
Cost of Sales	(15,832)	(4,887)	(15,832)	(4,887)
Gross Profit	3,381	1,930	3,381	1,930
Other Income	208	69	208	69
Selling and marketing expenses	(68)	(56)	(68)	(56)
Administrative expenses	(1,194)	(893)	(1,194)	(893)
Operating profit / (loss)	2,327	1,050	2,327	1,050
Interest income	52	4	52	4
Finance costs	(2)	-	(2)	-
Profit / (loss) before taxation	2,377	1,054	2,377	1,054
Taxation	(430)	(79)	(430)	(79)
Net profit/(loss) for the period	1,947	975	1,947	975
Other comprehensive income after tax:				
Net currency translation differences	110	100	110	100
Other comprehensive income for the period, net of tax	110	100	110	100
Total comprehensive income for the period	2,057	1,075	2,057	1,075
Net profit/(loss) attributable to:				
- Owners of the parent	1,947	975	1,947	975
- Minority interest	-	-	-	-
	1,947	975	1,947	975
Total comprehensive income attributable to:				
- Owners of the parent	2,057	1,075	2,057	1,075
- Minority interest	-	-	-	-
	2,057	1,075	2,057	1,075
Earnings per share attributable to the owner of the Company (sen) attributable to owners of the parent				
-Basic (sen)	1.17	0.58	1.17	0.58
-Diluted (sen)	0.80	0.40	0.80	0.40

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 March 2020

	31-Mar-20 (Unaudited) RM'000	31-Dec-19 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	133	144
Right of Use Assets	147	197
Investment properties	27,577	27,572
Other Receivable	3,965	3,965
	<u>31,822</u>	<u>31,878</u>
Current Assets		
Inventories	39,105	33,150
Trade Receivables	4,487	6,588
Contract Assets	1,291	15,614
Other Receivables	1,887	2,277
Tax Recoverable	-	538
Fixed deposit with license bank	3,755	3,537
Cash & Bank Balances	10,641	7,884
	<u>61,166</u>	<u>69,588</u>
TOTAL ASSETS	<u>92,988</u>	<u>101,466</u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company		
Share Capital	44,656	44,656
Reserves	12,090	10,033
Total Equity	<u>56,746</u>	<u>54,689</u>
Non Current Liabilities		
Deferred Taxation	6,304	6,304
	<u>6,304</u>	<u>6,304</u>
Current Liabilities		
Trade Payables	10,335	6,120
Other Payables & Accruals	12,154	16,404
Lease liabilities	151	200
Bank Borrowing	7,298	17,571
Provision for Taxation	-	178
	<u>29,938</u>	<u>40,473</u>
Total Liabilities	<u>36,242</u>	<u>46,777</u>
TOTAL EQUITY AND LIABILITIES	<u>92,988</u>	<u>101,466</u>
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 31 March 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	-	-	-	1,947	1,947
Currency translation differences	-	110	-	-	110
Balance as at 31 March 2020	44,656	4,418	13,606	(5,934)	56,746

	< ----- 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	-	-	-	975	975
Currency translation differences	-	100	-	-	100
Balance as at 31 March 2019	44,656	4,479	13,606	(11,241)	51,500

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 31 March 2020

	Year Ended 31-Mar-20 RM'000	Year Ended 31-Mar-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING ACTIVITIES		
Profit before taxation	2,377	1,054
Adjustment for:		
Depreciation	66	16
Finance costs	363	1
Finance income	(51)	(4)
Revaluation of investment properties	(6)	-
Operating profit/(loss) before working capital changes	<u>2,749</u>	<u>1,067</u>
(Increase)/Decrease in Inventories	37,380	(5,160)
(Increase)/Decrease in trade receivables	(27,144)	(1,265)
(Increase)/Decrease in other receivables	633	-
(Decrease)/Increase in trade payables	809	(526)
(Decrease)/Increase in other payables	(430)	2,622
(Increase)/Decrease in contract Assets	-	(3,438)
Net cash generated from/(used in) operating activities	<u>13,997</u>	<u>(6,700)</u>
Interest paid	(363)	(847)
Interest received	51	4
Tax paid	(255)	(226)
	<u>13,430</u>	<u>(7,769)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(7)	(9)
Net cash received / (used) in investing activities	<u>(7)</u>	<u>(9)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown / (Repayment) of bank borrowing (net)	(9,922)	2,621
Drawdown/(Repayment) of right of use assets	(49)	-
Net cash generated / (used) from financing activities	<u>(9,971)</u>	<u>2,621</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,452	(5,157)
EFFECT ON TRANSLATION DIFFERENCES	110	(100)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	10,833	12,207
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>14,395</u>	<u>6,950</u>
Cash and cash equivalents comprise:-		
Fixed deposit with licensed bank	3,755	2,042
Housing development accounts	4,652	576
Cash and bank balance	5,988	4,332
Cash and bank balance	<u>14,395</u>	<u>6,950</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 31 March 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 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138	Intangible Assets	1 January 2020

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 2021
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 31 March 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 31 March 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
31 March 2020						
Revenue						
External customers	-	19,202	12	19,214	-	19,214
Inter-segment	-	9,809	-	9,809	(9,810)	(1)
Total revenue	-	29,011	12	29,023	(9,810)	19,213
Result						
Interest income	-	51	-	51	-	51
Profit / (loss) before taxation	-	1,723	(147)	1,576	801	2,377
Taxation	-	(428)	(2)	(430)	-	(430)
Segment profit / (loss)	-	1,295	(149)	1,146	801	1,947

	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Segmental assets	-	60,895	32,093	92,988	-	92,988

Including in the measurement of assets are:

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

Liabilities

Segment liabilities	-	37,575	6,777	44,352	(8,110)	36,242
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Other non-cash item

Depreciation of:						
- properties, plant and equipment	-	(13)	(5)	(18)	-	(18)
- right of use assets	-	(49)	-	(49)	-	(49)

JIANKUN INTERNATIONAL BERHAD (111365-U)

- For the quarter ended 31 March 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
31 March 2019						
Revenue						
External customers	-	6,784	33	6,817	-	6,817
Inter-segment	-	4,416	-	4,416	(4,416)	-
Total revenue	-	11,200	33	11,233	(4,416)	6,817
Result						
Other incomes	-	72	2	74	-	74
Loss before taxation	-	1,168	(114)	1,054	-	1,054
Taxation	-	(79)	-	(79)	-	(79)
Segment profit / (loss)	-	1,089	(114)	975	-	975
Assets						
Segment assets	-	75,691	51,838	127,529	(20,929)	106,600
Including in the measurement of assets are:						
Capital expenditure relating to:						
- property, plant and equipment	-	9	-	9	-	9
Liabilities						
Segment liabilities	-	52,743	7,015	59,758	(4,458)	55,300
Other non-cash item						
Depreciation of property, plant and equipment	-	(11)	(5)	(16)	-	(16)

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
	31-Mar-20 RM'000	31-Mar-19 RM'000	RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000	RM'000
Revenue	19,213	6,817	12,396	19,213	6,817	12,396
Gross profit	3,381	1,930	1,451	3,381	1,930	1,451
Profit / (loss) before tax	2,377	1,054	1,323	2,377	1,054	1,323
Profit / (loss) after tax	1,947	975	972	1,947	975	972

Performance of the current quarter against the same quarter in the preceding year (4Q 2019 vs 4Q 2018)

The Group revenue increase from RM6.817 million (Q1 2019) to RM19.213 million (Q1 2020), an increased of RM12.396 million and profit after tax increase from RM0.975 million (Q1 2019) to RM1.947 million (Q1 2020).

The increase in revenue and profit was mainly due to the sales has been achieved 89% take up rate and advance stage of completion of Amani Residences project.

B2. Comparison with Preceding Quarter's Results

	Current Quarter 31-Mar-20 RM'000	Immediate Preceding Quarter 30-Dec-19 RM'000	Changes RM'000
Revenue	19,213	18,422	791
Gross profit	3,381	4,185	(804)
Profit / (loss) before tax	2,377	2,668	(291)
Profit / (loss) after tax	1,947	2,693	(746)

As comparison to Q4 2019, revenue was increased by RM0.791 million and profit after tax decreased by RM0.746 million. The decreased in profit after tax was due to long holidays for quarter 1 and Covid-19 pandemic started in Mar was affected the number of days in construction during the first quarter.

B3. Future Prospects

In view of the current economic outlook and the pandemic of Covid-19, it will be a challenging for the country, which the Company was unable to escape from its. The pro-long of the government implementation of movement control or conditional movement contract will affect the Company performance for the year.

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:-

	2020	2019
	RM'000	RM'000
Current tax	<u>430</u>	<u>79</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:

	Current Year	Preceding
	As At	Year
	31-Mar-20	As At
	RM '000	31-Mar-19
	RM '000	RM '000
Secured:		
Short term:		
Bridging loan	7,298	17,818
Term loan	-	1,560
	<u>7,298</u>	<u>19,378</u>
Long term:		
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 31 March 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 31-Mar-20 RM'000	Preceding Year Quarter 31-Mar-19 RM'000	Current Year To Date 31-Mar-20 RM'000	Preceding Year To Date 31-Mar-19 RM'000
Profit / (Loss) after tax	1,947	975	1,947	975
Number of ordinary shares issued as at 1 January	166,845	166,845	166,845	166,845
Basic EPS (Sen)	1.17	0.58	1.17	0.58

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-20 RM'000	Preceding Year Quarter 31-Mar-19 RM'000	Current Year To Date 31-Mar-20 RM'000	Preceding Year To Date 31-Mar-19 RM'000
Profit / (Loss) after tax	1,947	975	1,947	975
Weighted Average number of ordinary shares issued	166,845	166,845	166,845	166,845
Assume shares issued from exercise of warrants	75,587	75,587	75,587	75,587
Adjusted Weighted Average number of ordinary shares issued	242,432	242,432	242,432	242,432
Diluted EPS (Sen)	0.80	0.40	0.80	0.40

B13. Notes to the Statement of Comprehensive Income

	Current Year Ended 31-Mar-20 RM'000	Preceding Year Ended 31-Mar-19 RM'000
Profit for the period is arrived at after charging:		
Depreciation and amortization	<u>66</u>	<u>16</u>
and after crediting:		
Interest income	<u>51</u>	<u>4</u>

JIANKUN INTERNATIONAL BERHAD (111365-U)
- For the quarter ended 31 March 2020

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-20 RM '000	31-Mar-19 RM '000
Total realised losses	(13,023)	(24,436)
Total unrealised profits/(loss)	6,304	5,905
	<u>(6,719)</u>	<u>(18,531)</u>
Consolidated adjustment	785	526
Total accumulated profit/(loss)	<u>(5,934)</u>	<u>(18,005)</u>

By Order of the Board

Date: 22 June 2020