

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your ordinary shares in Jiankun International Berhad (111365-U) (formerly known as Nagamas International Berhad) ("JIB" or "our Company"), you should at once hand this Abridged Prospectus together with the Notice of Provisional Allotment ("NPA") and Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein), which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd (118401-V) at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This Abridged Prospectus, together with the NPA and RSF are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 2 December 2014. This Abridged Prospectus together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders (as defined herein) and their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither we nor M&A Securities Sdn Bhd (15017-H) ("M&A Securities") shall accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders or their renounee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

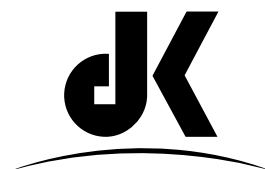
A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at the Extraordinary General Meeting held on 20 March 2014. Approval-in-principle has also been obtained from Bursa Malaysia Securities Berhad (635998-W) ("Bursa Securities") via its letter dated 13 January 2014 for the admission of the Warrants (as defined herein) to the Official List of Bursa Securities and the listing of the Rights Shares (as defined herein), Warrants and new JIB Shares (as defined herein) to be issued upon exercise of the Warrants on the Main Market of Bursa Securities. The Warrants will be admitted to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (165570-W) that all the Central Depository System accounts of the Entitled Shareholders have been duly credited and notices of allotment have been despatched to the Entitled Shareholders. Admission of the Warrants to the Official List of Bursa Securities and the listing of the Rights Shares, Warrants and new JIB Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

All the documentation relating to this Rights Issue with Warrants including this Abridged Prospectus, together with the NPA and RSF, have been seen and approved by our Board of Directors and they collectively and individually accept full responsibility for the accuracy of the information given, and confirm that after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in these documents false or misleading.

M&A Securities, being the Adviser for this Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.



JIANKUN INTERNATIONAL BERHAD
(formerly known as Nagamas International Berhad)
(Company No. 111365-U)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 101,790,000 NEW ORDINARY SHARES OF RM0.25 EACH IN JIB ("RIGHTS SHARES") TOGETHER WITH UP TO 76,342,500 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.25 EACH HELD IN JIB TOGETHER WITH THREE (3) WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED AT 5.00 P.M. ON 2 DECEMBER 2014 AT AN ISSUE PRICE OF RM0.25 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser



M&A SECURITIES SDN BHD (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Tuesday, 2 December 2014 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Tuesday, 9 December 2014 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Friday, 12 December 2014 at 4.00 p.m.
Last date and time for acceptance and payment	: Wednesday, 17 December 2014 at 5.00 p.m.*
Last date and time for excess application and payment	: Wednesday, 17 December 2014 at 5.00 p.m.*

* or such later date and time as our Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 2 December 2014

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSON SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus, NPA and RSF:-

"Abridged Prospectus"	:	This Abridged Prospectus issued by us dated 2 December 2014
"Act"	:	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
"Board"	:	Board of Directors
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account(s)"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository for the recording of deposits or withdrawal of securities and dealings in such securities by the depositor
"Deed Poll"	:	The deed poll dated 24 October 2014 constituting the Warrants
"DLSC"	:	Dato' Ir. Lim Siang Chai, the Executive Chairman of JIB
"EGM"	:	Extraordinary general meeting
"Entitled Shareholders"	:	Our shareholders whose names appear on our Record of Depositors on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on 2 December 2014, being the time and date which the Entitled Shareholders must be registered in our Record of Depositors with Bursa Depository in order to be entitled to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per share
"Exercise Price"	:	The exercise price of RM0.32 per Warrant, which is exercisable into one (1) JIB Share, subject to such adjustments as may be allowed under the Deed Poll
"FYE"	:	Financial year ended
"HKD"	:	Hong Kong Dollar
"JIB"	:	Jiankun International Berhad (111365-U) (<i>formerly known as Nagamas International Berhad</i>)
"JIB Group" or "Group"	:	JIB and its subsidiaries, collectively
"JIB Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.25 each in JIB
"JKMBI"	:	Jiankun MB International Holding Sdn Bhd (777859-H) (<i>formerly known as MB Longji Sdn Bhd</i>), the major shareholder of JIB
"Issue Price"	:	The issue price of RM0.25 per Rights Share pursuant to the Rights Issue with Warrants
"LPD"	:	12 November 2014, being the latest practicable date prior to the issuance of this Abridged Prospectus
"Market Day(s)"	:	A day on which Bursa Securities is open for trading in securities
"M&A Securities"	:	M&A Securities Sdn Bhd (15017-H)
"MLR"	:	Main Market Listing Requirements
"Maximum Scenario"	:	Assuming all Entitled Shareholders subscribe in full for their entitlements pursuant to the Rights Issue with Warrants

DEFINITIONS (CONT'D)

"Minimum Scenario"	:	Assuming only JKMBI and DLSC subscribe for their entitlements and DLSC subscribes for additional Rights Shares with Warrants via excess application; and/or JKMBI and DLSC procure the subscription for such number of Rights Shares with Warrants, amounting to an aggregate of RM8,500,000 pursuant to their Undertakings
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue with Warrants
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository, as amended from time to time
"Rights Issue with Warrants"	:	Renounceable rights issue of up to 101,790,000 Rights Shares together with up to 76,342,500 Warrants on the basis of two (2) Rights Shares for every one (1) JIB Share held together with three (3) Warrants for every four (4) Rights Shares
"Rights Shares"	:	Up to 101,790,000 new JIB Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form in relation to the Rights Issue with Warrants
"Undertakings"	:	Irrevocable written undertakings by JKMBI and DLSC, to subscribe for their entitlements and DLSC to subscribe for additional Rights Shares via excess application and/or JKMBI and DLSC to procure the subscription for such number of Rights Shares with Warrants, amounting to an aggregate of RM8,500,000
"USD"	:	United States Dollar
"Warrants"	:	Up to 76,342,500 free detachable warrants to be issued pursuant to the Rights Issue with Warrants
"5D-VWAP"	:	5-day volume weighted average market price

References to "we", "us", "our" and "ourselves" are to our Company and, save where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

TABLE OF CONTENTS

	Page
CORPORATE DIRECTORY	v
LETTER TO OUR SHAREHOLDERS CONTAINING:-	
1. INTRODUCTION	1
2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS	
2.1 Details of the Rights Issue with Warrants	3
2.2 Basis of determining the issue price of the Rights Shares and the exercise price of the Warrants	4
2.3 Entitlement to Rights Shares	4
2.4 Ranking of the Rights Shares and new JIB Shares to be issued pursuant to the exercise of the Warrants	5
2.5 Salient terms of the Warrants	5
2.6 Undertakings	5
2.7 Details of other corporate exercises	6
3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION	
3.1 General	6
3.2 NPA	6
3.3 Last date and time of acceptance and payment	6
3.4 Procedure for full acceptance and payment	7
3.5 Procedure for part acceptance	9
3.6 Procedure for sale/transfer of provisional allotment of Rights Shares with Warrants	9
3.7 Procedure for acceptance by renounees	9
3.8 Procedure for excess application	10
3.9 Form of issuance	11
3.10 Laws of foreign jurisdictions	11
4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS	13
5. UTILISATION OF PROCEEDS	14
6. RISK FACTORS	
6.1 Risks relating to our Group	16
6.2 Risks relating to the property sector	18
6.3 Risks relating to the Rights Issue with Warrants	19
7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS	
7.1 Overview and prospects of the global economy	20
7.2 Overview and prospects of the Malaysian economy	21
7.3 Overview and prospects of the property market	22
7.4 Future prospects of our Group	24

TABLE OF CONTENTS (CONT'D)

	Page
8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS	
8.1 Share capital	24
8.2 Earnings and EPS	25
8.3 Convertible Securities	25
8.4 NA and gearing	25
8.5 Substantial shareholders' shareholdings	27
8.6 Dividends	28
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS	
9.1 Working capital	28
9.2 Borrowings	28
9.3 Material commitments	28
9.4 Contingent liabilities	28
10. TERMS AND CONDITIONS	29
11. FURTHER INFORMATION	29
APPENDICES	
I. CERTIFIED EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 20 MARCH 2014	30
II. SALIENT TERMS OF THE WARRANTS	34
III. INFORMATION ON OUR COMPANY	36
IV. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	42
V. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2013	56
VI. UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE NINE (9)-MONTH PERIOD ENDED 30 SEPTEMBER 2014	130
VII. DIRECTORS' REPORT	142
VIII. ADDITIONAL INFORMATION	143

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Age	Address	Nationality	Occupation
Dato' Ir Lim Siang Chai <i>(Executive Chairman)</i>	59	4, Jalan SS 14/5D, 47500 Subang Jaya, Selangor	Malaysian	Company Director
Dato' Ng Kek Kiong <i>(Deputy Executive Chairman)</i>	62	13 Taman Bunga Raya, 71700 Mantin, Negeri Sembilan	Malaysian	Company Director
Dato' Chen Oyan Yun Shai <i>(Non-Independent Non- Executive Director)</i>	58	96B Jalan Cerdas, Taman Connaught, Cheras, 56000 Kuala Lumpur	Malaysian	Company Director
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman <i>(Independent Non- Executive Director)</i>	81	11A Lorong Batai, Damansara Heights, 50490 Kuala Lumpur	Malaysian	Lawyer
Fathi Ridzuan bin Ahmad Fauzi <i>(Independent Non- Executive Director)</i>	49	Suite 107, G-0-10, Plaza Damas, Sri Hartamas, 50480 Kuala Lumpur	Malaysian	Company Director
Lee Yun Choong <i>(Independent Non- Executive Director)</i>	42	No. 10 Jalan Awana 1, Taman Cheras Awana, Batu 9 Cheras, 43200 Selangor	Malaysian	Chartered Accountant

AUDIT COMMITTEE

Name	Designation	Directorship
Fathi Ridzuan Bin Ahmad Fauzi	Chairman	Independent Non-Executive Director
Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman	Member	Independent Non-Executive Director
Lee Yun Choong	Member	Independent Non-Executive Director

COMPANY SECRETARIES

Tua Yan Khim (MAICSA 7046902)
c/o Suite 9-13A, Level 9,
Wisma UOA II,
Jalan Pinang,
50450 Kuala Lumpur
Tel: 03-2166 3845

CORPORATE DIRECTORY (CONT'D)

Tan Tong Lang
c/o Suite 10.03, Level 10,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: 03-2279 3080

REGISTERED OFFICE

Suite 9-13A, Level 9,
Wisma UOA II,
Jalan Pinang,
50450 Kuala Lumpur
Tel: 03-2166 3845
Fax: 03-2166 8303

HEAD/MANAGEMENT OFFICE

2F Wisma Malaysia-Beijing,
33 Jalan Maharajalela,
50150 Kuala Lumpur
Tel: 03-2141 8818
Website: <http://www.jiankuninternational.com>

PRINCIPAL BANKERS

CIMB Bank Berhad (13491-P)
Seremban Branch,
1st Floor, Wisma Dewan Perniagaan Melayu,
Jalan Dato' Bandar Tunggal,
70000 Seremban
Tel: 06-762 5305

RHB Bank Berhad (6171-M)
Lot LGF 081-083, Lower Ground Floor,
Kenanga Wholesale City,
No. 2, Jalan Gelugor,
Off Jalan Kenanga,
55200 Kuala Lumpur
Tel: 03-9222 6766

Public Bank Berhad (6463-H)
Bangunan Public Bank,
No. 6, Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Tel: 03-2070 2711

Public Bank (Hong Kong) Limited (CR No.0001299)
Public Bank Centre,
120 Des Voeux Road Central,
Central,
Hong Kong
Tel: 852-2541-9222

CORPORATE DIRECTORY (CONT'D)

**AUDITORS AND REPORTING
ACCOUNTANTS**

Tam & Associates (AF1356)
Chartered Accountants
18-5, Block M, Jalan 3/93A,
Warisan Cityview,
Off Batu 2 ½,
Jalan Cheras,
56100 Kuala Lumpur
Tel: 03-9200 8980

REGISTRAR

Tricor Investor Services Sdn Bhd (118401-V)
Level 17, The Gardens North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: 03-2264 3883

**SOLICITORS FOR THE RIGHTS ISSUE
WITH WARRANTS**

Yip Kum Fook and Associates
No 2A&B, Jalan 53,
Desa Jaya Kepong,
52100 Kuala Lumpur
Tel: 03-6272 3689

**ADVISER FOR THE RIGHTS ISSUE
WITH WARRANTS**

M&A Securities Sdn Bhd (15017-H)
No. 45 & 47-11, The Boulevard,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: 03-2284 2911

STOCK EXCHANGE LISTING

Main Market of Bursa Securities

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JIANKUN INTERNATIONAL BERHAD
(formerly known as Nagamas International Berhad)
(Company No. 111365-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Suite 9-13A, Level 9
Wisma UOA II
Jalan Pinang
50450 Kuala Lumpur

2 December 2014

Directors:

Dato' Ir Lim Siang Chai *(Executive Chairman)*
Dato' Ng Kek Kiong *(Deputy Executive Chairman)*
Dato' Chen Oyan Yun Shai *(Non-Independent Non-Executive Director)*
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman *(Independent Non-Executive Director)*
Fathi Ridzuan bin Ahmad Fauzi *(Independent Non-Executive Director)*
Lee Yun Choong *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 101,790,000 NEW JIB SHARES TOGETHER WITH UP TO 76,342,500 WARRANTS ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING JIB SHARE HELD, TOGETHER WITH THREE (3) WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED AT 5.00 P.M. ON 2 DECEMBER 2014 AT AN ISSUE PRICE OF RM0.25 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

Our shareholders had at an EGM held on 20 March 2014 approved the Rights Issue with Warrants. A certified extract of the ordinary resolution pertaining to the Rights Issue with Warrants which was passed at the said EGM is set out in Appendix I of this Abridged Prospectus.

Bursa Securities had vide its letter dated 13 January 2014 approved in-principle the following:-

- (i) Admission to the Official List and the listing of and quotation for up to 76,342,500 Warrants to be issued pursuant to the Rights Issue with Warrants;
- (ii) Listing of up to 178,132,500 new JIB Shares arising from the following:
 - (a) Up to 101,790,000 Rights Shares to be issued pursuant to the Rights Issue with Warrants; and
 - (b) Up to 76,342,500 JIB Shares to be issued pursuant to exercise of the Warrants.

The abovesaid Bursa Securities' approval-in-principle is subject to the following conditions:-

Conditions	Status of Compliance
(i) JIB and M&A Securities must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Rights Issue with Warrants;	To be complied
(ii) JIB and M&A Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(iii) JIB is to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and	To be complied
(iv) JIB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed (pursuant to the exercise of the Warrants) as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

The official listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders/renounees are ready for crediting and notices of allotment have been despatched to them.

On 8 August 2014, we announced that the sealed order of the High Court of Malaya confirming the reduction in our par value from RM1.00 to RM0.25 has been lodged with the Companies Commission of Malaysia, upon which, the said reduction in par value had been effected on the same date.

On 23 October 2014, M&A Securities, on our behalf, announced that the issue price for the Rights Shares had been fixed at RM0.25 per Rights Share, and that the exercise price of the Warrants had been fixed at RM0.32 per Warrant.

On 11 November 2014, we announced that Datuk Azizan bin Abd Rahman (a substantial shareholder who had undertaken to subscribe for his entitlement in full for the Rights Issue with Warrants), had disposed all his equity interest in our Company. Pursuant to the above, M&A Securities, on our behalf, had on the same date announced that Datuk Azizan bin Abd Rahman had procured DLSC to subscribe for an additional 8,000,000 Rights Shares with 6,000,000 Warrants via excess application.

Subsequently, on 18 November 2014, M&A Securities, on our behalf, announced that the Entitlement Date had been fixed at 5.00 p.m. on 2 December 2014.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by M&A Securities or us.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants involves a renounceable rights issue of up to 101,790,000 Rights Shares together with up to 76,342,500 Warrants at an issue price of RM0.25 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing JIB Share held together with three (3) Warrants for every four (4) Rights Shares subscribed.

Accordingly, up to 101,790,000 Rights Shares and up to 76,342,500 Warrants will be issued pursuant to the Rights Issue with Warrants, assuming all Entitled Shareholders subscribe in full for their entitlements under the Rights Issue with Warrants.

The Rights Shares together with Warrants will be offered to the Entitled Shareholders. The Rights Issue with Warrants will involve the issuance of new JIB Shares without diluting the equity interest of Entitled Shareholders, assuming all shareholders fully subscribe for their respective entitlements and exercise their Warrants subsequently.

Notwithstanding the above, the Rights Issue with Warrants will be implemented on the basis that there will be a minimum level of subscription. The minimum subscription level has been determined by our Board after taking into consideration factors which include amongst others, the funding requirements and the indicative commitment from certain shareholders that can be raised pursuant to their irrevocable written undertakings for the Rights Issue with Warrants.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlement, they shall be entitled to the number of Warrants in proportion to the Rights Shares for which they have accepted.

The Rights Shares which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable manner and on a basis as it may deem fit or expedient or in the best interest of our Company to be determined by our Board, in a manner as disclosed under Section 3.8 herein.

As you are an Entitled Shareholder and the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants which you are entitled to subscribe for, in full or in part, under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, an NPA notifying you of the crediting of such securities into your CDS Account and an RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you so choose to do so.

Any dealing in our securities will be subject to, inter-alia, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical JIB Share or Warrant certificates will be issued but notices of allotment will be despatched to the successful applicants.

2.2 Basis of determining the issue price of the Rights Shares and exercise price of the Warrants

(a) Rights Shares

Our Board had on 23 October 2014, fixed the issue price of the Rights Shares at RM0.25 per Rights Share after taking into consideration the following:

- (i) the 5D-VWAP of JIB Shares up to and inclusive of 21 October 2014 of RM0.54, being the market day immediately preceding the price-fixing date on 23 October 2014; and
- (ii) the par value of JIB Shares of RM0.25 each.

The Issue Price per Rights Share represents:

- (a) a discount of approximately 53.7% from the 5D-VWAP of JIB Shares up to and inclusive of 21 October 2014 of RM0.54 per Share, being the market day immediately preceding the price-fixing date on 23 October 2014; and
- (b) a discount of approximately 26.5% to the theoretical ex-rights price of JIB Shares of RM0.34 based on the 5D-VWAP up to and inclusive of 21 October 2014 of RM0.54 per Share.

(b) Warrants

Our Board had on 23 October 2014 fixed the exercise price for the Warrants at RM0.32 per Warrant after taking into consideration the following:

- (i) the 5D-VWAP of JIB Shares up to and inclusive of 21 October 2014 of RM0.54 being the market day immediately preceding the price fixing date for the Warrants on 23 October 2014;
- (ii) the theoretical ex-rights price of JIB Shares of RM0.34 based on the 5D-VWAP of JIB Shares up to and inclusive of 21 October 2014 of RM0.54; and
- (iii) the par value of JIB Shares of RM0.25 each.

The exercise price of RM0.32 per Warrant represents:

- (a) a discount of approximately 40.7% from the 5D-VWAP of JIB Shares up to and inclusive of 21 October 2014 of RM0.54 per Share, being the market day immediately preceding the price-fixing date on 23 October 2014; and
- (b) a discount of approximately 5.9% to the theoretical ex-rights price of JIB Shares of RM0.34 based on the 5D-VWAP up to and inclusive of 21 October 2014 of RM0.54 per Share.

2.3 Entitlements to the Rights Shares with Warrants

The Rights Shares with Warrants will be provisionally allotted to Entitled Shareholders and/or their renounees. Fractional entitlements pursuant to the Rights Issue with Warrants if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board shall in its discretion deems fit or expedient or in the best interest of our Company.

For the avoidance of doubt, the Warrants attached to the Rights Shares are without any cost to the Entitled Shareholders and/or renounees and will be issued only to Entitled Shareholders and/or renounees who subscribe for the Rights Shares. The Rights Shares and the Warrants are not separately renouneable. The Warrants shall be immediately detached from the Rights Shares upon allotment and shall be separately traded on Bursa Securities.

2.4 Ranking of the Rights Shares and new JIB Shares to be issued pursuant to the exercise of the Warrants

The Rights Shares shall, upon allotment and issue, rank pari passu in all respects with the then existing JIB Shares in issue, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to our Shareholders, the Entitlement Date of which is prior to the date of allotment of the Rights Shares.

The new JIB Shares to be issued pursuant to exercise of the Warrants, if any, shall upon allotment and issue, rank pari passu in all respects with the then existing JIB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid, the entitlement date of which is prior to the date of the allotment of the said new JIB Shares.

2.5 Salient terms of the Warrants

Please refer to Appendix II of this Abridged Prospectus for the salient terms of the Warrants.

2.6 Undertakings

Our Board intends to raise minimum proceeds of RM8,500,000 and the intended amount is for the immediate funding requirements of our Group, to fund property development costs and future projects. Based on the minimum proceeds, at an issue price of RM0.25 per Rights Share, 34,000,000 Rights Shares will be issued together with 25,500,000 Warrants.

To meet the minimum subscription level, JKMBI and DLSC, being shareholders of our Company, have provided Undertakings to subscribe and/or procure subscription for such number of Rights Shares with Warrants, amounting to an aggregate of RM8,500,000.

	Shareholdings as at LPD		Undertakings to subscribe for its/his Rights entitlements			Undertaking to subscribe for excess Rights Shares			Total to be subscribed pursuant to the Undertakings			^Total financial commitment RM'000
	No. of shares ('000)	%	No. of Shares ('000)	No. of Warrants ('000)	%	No. of Shares ('000)	No. of Warrants ('000)	%	No. of Shares ('000)	No. of Warrants ('000)	%	
JKMBI	13,621	26.76	12,800	9,600	12.57*	-	-	-	12,800	9,600	12.57*	3,200
DLSC	500	0.98	1,000	750	0.98*	20,200	15,150	19.84*	21,200	15,900	20.83*	5,300

Notes:

* The percentages of the Rights Shares are computed based on 101,790,000 Rights Shares to be issued pursuant to the Rights Issue with Warrants.

^ Based on the issue price of RM0.25 per Rights Share.

Pursuant to the Undertakings, JKMBI and DLSC have confirmed that they have sufficient financial resources to subscribe for their respective undertakings and such confirmations have been verified by M&A Securities, to the extent possible.

Notwithstanding the above, in the event where the minimum subscription level is not achieved, the implementation of the Rights Issue with Warrants will be terminated and all considerations received for the Rights Shares with Warrants will be refunded within fifteen (15) Market Days from the date of termination, to all subscribers of the Rights Shares with Warrants.

In view of the Undertakings and minimum subscription level, underwriting arrangement will not be required for the Rights Issue with Warrants.

Our Company confirms that the Undertakings will not give rise to any consequences relating to a mandatory offer obligation under the Malaysian Code on Take-overs and Mergers, 2010 ("Code") after the implementation of the Rights Issue with Warrants. However, should DLSC exercise his Warrants such that his resulting shareholdings in JIB increases above 33%, he is obliged under Part III of the Code to undertake a mandatory offer for all the remaining JIB Shares not already held by him after the exercise of such number of Warrants. In such an event DLSC will seek the relevant exemption under the Code should he intends not to undertake such mandatory offer.

2.7 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, our Board confirms that there is no other outstanding corporate exercise which we intend to undertake, which have been announced but pending completion.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which you are entitled to subscribe for, in full or in part, under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such provisionally allotted Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

3.2 NPA

The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the provisionally allotted Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. Entitled Shareholders and/or their renounees (if applicable) are required to have valid and subsisting CDS Accounts when making their applications.

3.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants is 5.00 p.m. on 17 December 2014 or such other later date and time as may be determined and announced by our Board at their discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Procedure for full acceptance and payment

Acceptance and payment for the Rights Shares with Warrants provisionally allotted to you as an Entitled Shareholder or your renounee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible, may not be accepted at the discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE), EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

You or your renounee(s) (if applicable) accepting the provisionally allotted Rights Shares with Warrants are required to complete Part I(a) and II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on 17 December 2014, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board, not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you or your renounee(s) (if applicable) will be credited into the respective CDS Accounts as stated on the completed RSF.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renounee(s) (if applicable) should take note that a trading board lot for the Rights Shares with Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given free attached Warrants on the basis of three (3) Warrants for every four (4) Rights Shares successfully subscribed. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. However, three (3) Warrants will be issued for every four (4) Rights Shares subscribed. Fractions of Warrants arising from the Rights Issue with Warrants will be disregarded and dealt with in such manner and on such terms and conditions as our Board shall in its discretion deems fit or expedient or in the best interest of our Company.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renounee(s) (if applicable) is not received by our Share Registrar by 5.00 p.m. on 17 December 2014, being the last date and time for acceptance and payment, or any other extended date and time as may be determined and announced by our Board at their discretion, you and/or your renounee(s) (if applicable) will be deemed to have declined the provisional allotment made to you and/or your renounee(s) and it will be cancelled. Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for excess Rights Shares with Warrants. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept or to accept in part only any application without providing any reasons.

You or your renounee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbroker, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN "RM" FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "JIANKUN RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS, BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedure for part acceptance

You can accept part of your provisionally allotted Rights Shares with Warrants. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. However, three (3) Warrants will be issued for every four (4) Rights Shares subscribed. Fractions of Warrants arising from the Rights Issue with Warrants will be disregarded and dealt with in such manner and on such terms and conditions as our Board shall in its discretion deems fit or expedient or in the best interest of our Company.

You must complete both Part I(a) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 3.4 of this Abridged Prospectus.

The portion of the provisionally allotted Rights Shares with Warrants that have not been accepted shall be allotted to the applicants applying for excess Rights Shares with Warrants.

3.6 Procedure for sale/transfer of provisional allotment of Rights Shares with Warrants

As the provisionally allotted Rights Shares with Warrants are prescribed securities, you may sell/transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional allotted Rights Shares with Warrants standing to the credit of your CDS Accounts. To dispose of all or part of your entitlement to the Rights Shares with Warrants, you may sell such entitlement on the open market or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisionally allotted Rights Shares with Warrants, you and/or your renounee(s) (if applicable) need not deliver any document including the RSF, to any stockbroker. However, you and/or your renounee(s) (if applicable) must ensure that there is sufficient provisional allotment of Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchasers or transferees of the provisionally allotted Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar as stated above or at our Registered Office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

3.7 Procedure for acceptance by renounees

Renounees who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office, or from Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 3.4 of this Abridged Prospectus also applies to renounees who wish to accept the provisionally allotted Rights Shares with Warrants.

RENOONEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENT OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND RSF CAREFULLY.

3.8 Procedure for excess application

As an Entitled Shareholder, you and/or your renounee(s) (if applicable) may apply for excess Rights Shares with Warrants in addition to the Rights Shares with Warrants provisionally allotted to you and/or your renounee(s) by completing Part I(b) of the RSF (in addition to Part I(a) and II) and forward it together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for, to our Share Registrar at the address set out above, so as to arrive not later than 5.00 p.m. on 17 December 2014, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board, not less than two (2) Market Days before the stipulated date and time.

Payment for the excess Rights Shares with Warrants applied for should be made in the same manner as described above, except that the Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "**A/C PAYEE ONLY**" and made payable to "**JIANKUN EXCESS RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with the name, address and CDS Account of the applicant in block letters to be received by our Share Registrar.

It is the intention of our Board to allot the excess Rights Shares with Warrants applied for under Part I(b) of the RSF, if any, on a fair and equitable basis and in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot calculated based on priority as follows:- (a) the shareholdings of the applicants in JIB on the Entitlement Date; and (b) the quantum of excess Rights Shares with Warrants applied for; and
- (iii) thirdly, for allocation to transferee(s) and/or renounee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot based on the quantum of their respective excess Rights Shares with Warrants applied for.

Nevertheless our Board reserves the right to allot any excess Rights Shares with Warrants applied under Part I(b) of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.8 (i)-(iii) are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

APPLICANTS ARE NOT ALLOWED TO WITHDRAW THE RSF AND PAYMENT, ONCE THEY HAVE BEEN LODGED WITH OUR SHARE REGISTRAR.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES

WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THEIR REMITTANCE BEING PRESENTED FOR PAYMENT.

3.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number may result in the application being rejected.

No physical Rights Share or Warrant certificates will be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors within eight (8) Market Days from the last time and date for acceptance and payment of the Rights Issue with Warrants.

Any person who intends to subscribe for the Rights Shares with Warrants as a renounee by purchasing the provisional allotment of Rights Shares with Warrants from an Entitled Shareholder will have his Rights Shares with Warrants credited directly as prescribed securities into his CDS Account.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into his CDS Account.

3.10 Laws of foreign jurisdictions

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered in any foreign jurisdiction. Foreign Entitled Shareholders or their renounees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

M&A Securities, other experts, our Company and our directors and officers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or their renounees (if applicable) are or may be subjected to. Foreign Entitled Shareholders or their renounees (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. M&A Securities, other experts, our Company and our directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders or renounees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Shareholders or their renounees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or their renounees (if applicable) may collect the Abridged Prospectus including the accompanying

documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

Foreign Entitled Shareholders or their renounees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders or their renounee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against M&A Securities or us in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders or their renounee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the foreign Entitled Shareholders or their renounees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) M&A Securities, other experts, our Company and our directors and officers that:

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renounees (if applicable) are or may be subjected to;
- (ii) they have complied with the laws to which they are or may be subjected to in connection with the acceptance or renunciation;
- (iii) they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subjected to;
- (iv) they are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and
- (vi) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders or their renounees (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants is undertaken to recapitalise our Company after the par value reduction exercise which was completed on 8 August 2014. The proceeds arising from the Rights Issue with Warrants will enable us to raise capital for our property development business, working capital needs as well as for our future growth. The proceeds from the Rights Issue with Warrants which is to be used for future projects is to be utilised for acquisition or joint ventures of property development companies or land, which is expected to contribute positively to our Group's earnings potential, enhance the value of our Shares and strengthen shareholders' value. The funding for future projects is expected to be funded from a mixture of funds raised from the Rights Issue with Warrants, working capital and if required, borrowings. Nonetheless, our Group's emphasis is on joint venture arrangements.

After due consideration of the various methods of fund-raising available, our Board is of the view that the Rights Issue with Warrants is the most appropriate means of fund raising for our Company as it:

- (a) enables our Company to raise the much needed capital required without incurring interest costs as compared to other means of financing such as through bank borrowings or the issuance of debt instruments;
- (b) allows our Company to be recapitalised;
- (c) provides the opportunity for our existing shareholders to further participate in the equity of our Company. The Undertakings allow JKMBI and DLSC to extend their support for the Rights Issue with Warrants which will facilitate our Company in raising the necessary funds;
- (d) involves the issuance of new JIB Shares without diluting existing shareholders' equity interest assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue with Warrants and fully exercise their Warrants subsequently; and
- (e) the Warrants attached to the Rights Shares are expected to enhance the attractiveness of the subscription by Entitled Shareholders for the Rights Shares as it provides Entitled Shareholders with the opportunity to increase their equity participation in JIB at a predetermined price during the tenure of the Warrants. In addition, the Warrants will enable our Company to raise further capital from the equity market as and when any of the Warrants are exercised.

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5. UTILISATION OF PROCEEDS

At the issue price of RM0.25 per Rights Share, gross proceeds of up to RM25,447,500 is expected to be raised which shall be utilised as follows:

Purpose	Minimum Scenario RM	Maximum Scenario RM	Timeframe for utilisation
Property development costs	3,000,000	3,700,000	Within 12 months from the listing of the Rights Shares
Working capital for our Group	2,000,000	2,500,000	Within 12 months from the listing of the Rights Shares
To fund future projects	3,000,000	18,747,500	Within 36 months from the listing of the Rights Shares
To defray expenses relating to the Rights Issue with Warrants	500,000	500,000	Within 3 months from the listing of the Rights Shares
Total	8,500,000	25,447,500	

Minimum Scenario : Assuming none of the Entitled Shareholders subscribes for their entitlements and only JKMBI and DLSC subscribe and/or procure the subscription for an aggregate of 34,000,000 Rights Shares together with 25,500,000 Warrants.

Maximum Scenario : Assuming all Entitled Shareholders subscribe in full for their entitlements pursuant to the Rights Issue with Warrants.

Notes:

(a) Property development costs:

We had commenced our property development business in mid 2011 with the mixed development project in Mantin, Negeri Sembilan ("Mantin Project") on a 3.46 acre land comprising bungalow land, fifteen (15) double storey shoplots and 53 double storey terrace houses. Construction of Phases 1 and 2 of the project have been completed.

Currently, our Group is undertaking Phase 3 of the Mantin Project comprising 29 double storey terrace houses, which was launched end 2013 with an estimated gross development cost and gross development value of approximately RM8.7 million and RM13.1 million respectively. As at the LPD, approximately 24% of the units have been sold. The gross development cost of Phase 3 is to be funded by proceeds from the Rights Issue with Warrants, shareholders' advances, bank borrowings and sales of the development units. Barring unforeseen circumstances, JIB expects to complete Phase 3 in the middle of 2015.

Property development cost for Phase 3 of the Mantin Project comprises the following:

Description	Minimum Scenario RM	Maximum Scenario RM
Construction costs	2,600,000	3,100,000
Infrastructure	300,000	500,000
Authority - land and development matters	100,000	100,000
	3,000,000	3,700,000

(b) Working capital:

The proceeds of up to RM2.5 million shall be utilised for our Group's working capital requirements consisting administrative expenses such as office rental, overheads and staff cost.

Working capital breakdown is as follows:

Description	Minimum Scenario RM	Maximum Scenario RM
Office rental	180,000	180,000
Overheads such as utilities, secretarial fees, auditors fees	380,000	380,000
Staff cost	1,440,000	1,940,000
	2,000,000	2,500,000

(c) Future projects:

The proceeds are utilised for the acquisition or joint ventures of future projects relating to property development, which may include both property development companies and/or land. The relevant required information on the new projects will be announced on Bursa Securities as and when they are identified and where relevant, the relevant agreements are entered into. Our Board is in the process of deliberating on several potential joint venture projects identified. However, the proposed allocation of up to RM18.75 million is intended to serve as a standby funding for our Group to embark on future property development projects.

(d) Expenses relating to the Rights Issue with Warrants:

The estimated expenses comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges which are estimated at RM500,000 for the Rights Issue with Warrants. If the actual expenses incurred pursuant to the Rights Issue with Warrants are higher than the amount budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for working capital of our Group.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purpose, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

Proceeds potentially arising from any exercise of Warrants in the future will be dependent on the actual number of Warrants exercised during the tenure of the Warrants. As such, any proceeds arising from the exercise of Warrants in the future will be utilised for working capital requirements of our Group, which shall include payment of operational expenses and future property development projects of our Group. Our Board has yet to determine the exact allocation on the utilisation categories.

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6. RISK FACTORS

In running our business activities, we face risks which may have potential impact to our Group's performance unless proper anticipation and mitigation measures are exercised.

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants. You should take note that these risk factors are not exhaustive. There may be additional risk factors, which are not disclosed below, that are not presently known to us or that we currently deem to be less significant, which may materially and adversely affect our business, financial condition, results of operation and prospects.

6.1 Risks relating to our Group

(a) Business risk

Being principally involved in property development, our Group is subject to certain risks inherent in the property development industry. The property development industry is cyclical and the ability to meet future earnings depends highly on the location, type of development, land and development expenditure, holding costs and overheads.

Our revenue may fluctuate from period to period and the fluctuations make it difficult to predict our future performance. As we derive our revenue from the sale of properties, our results of operations are affected by the demand for our properties, the price at which we are able to sell them and the timing of the launch of our properties. The demand for and pricing of the properties are to a large extent, affected by the general conditions of the property market in Malaysia.

Our business could be affected by changes in general economic, political and business conditions, labour, land and building material shortages, increase in the cost of labour, high supply of neighbouring developments and changes in the legal and environmental framework within which these industries operate.

We seek to limit these risks through, amongst others, careful planning and identification of the type of developments and continuously reviewing our processes and operations to improve efficiency and quality. Our Group's current development properties are the bread-and-butter landed home types and which are priced at affordable prices; i.e. below RM500,000 which is in line with the Government's initiative to establish the National Housing Council to develop strategies and action plans to build affordable housing priced from RM150,000 to RM450,000. Notwithstanding the above, there is no assurance that any changes to the said risk factors will not have a material adverse effect on our Group's businesses and financial performance.

(b) Risk on financial performance

As stated in Appendix III, Section 6 of this Abridged Prospectus, our Group recorded consecutive operating losses for the FYEs 31 December 2011, 2012 and 2013.

Pursuant to Paragraph 8.04(2) of the MMLR, where a listed issuer triggers any one (1) or more of the prescribed criteria stated in Practice Note 17 of the MMLR (which may be prescribed by Bursa Securities in relation to the financial condition and level of operations of a listed issuer), the listed issuer will be required to submit and obtain the approval of Bursa Securities, a comprehensive regularisation plan within a 12 month period. Failure to comply with this obligation may result in the de-listing of the listed issuer. Should the financial performance of our Group continue to deteriorate, we may risk triggering the said prescribed criteria which can result in our Group being classified as an affected listed issuer pursuant to Practice Note 17 of the MMLR.

The Rights Issue with Warrants is an interim measure by our Board to address the current financial position of our Group based on the minimum funding requirements and indicative funding commitments that can be raised. Proceeds to be raised from the Rights Issue with Warrants are to supplement the financial resources of our Group for our property development costs and working capital, hence allowing our Group to have sufficient funds for our operations. Our Board is also actively seeking new business opportunities for growth to further address our Group's financial concerns.

(c) Quality assurance

Sale and purchase agreements commonly stipulate a defects liability period for work done, which carry warranty periods of up to 24 months, from the official handing over of the completed projects, depending on the nature of the agreement. The warranty guarantees the rectification of any defects in the project which may surface or be identified during the defects liability period at the cost and expense of the developer. Such rectification of defects will inevitably result in an increase in completion costs and affect the profitability of affected projects.

Should our Group be required to fulfill its warranty obligations in the rectification of our project, our profit margin will be decreased depending on the severity of the rectification works, hence affecting our overall financial performance.

There is no assurance that any disputes arising from the defect liability period or warranty period will not have a material impact on our Group. To mitigate the risk of defects, our Group seeks to ensure that all suppliers and sub-contractors employed are trustworthy and reliable and have a good track record of completed work.

(d) Raw materials

We depend on our suppliers for raw materials, such as cement and steel. To maintain competitive operations, we must obtain from our suppliers, in a timely manner, sufficient quantities of quality materials at acceptable prices. While our Group obtains most of our materials, including cement and steel, from a limited number of suppliers on a purchase order basis, we do not have typically long-term contracts with any of our suppliers.

In addition, we may, at times, reject materials that do not meet our quality specifications. There can be no assurance that we will be able to obtain sufficient quantities of raw materials and other supplies of an acceptable quality. If our ability to obtain sufficient quantities of raw materials and other supplies in a timely manner is substantially diminished or if there are significant increases in the costs of raw materials, it could have a material adverse effect on our operations and financial condition. Fluctuations caused by the volatility of the price of the raw materials could also result in increased costs and result in a material adverse effect on our financial condition.

(e) Land Bank

We may be unable to identify joint venture developments at commercially viable prices. Despite our Board's active engagement in identifying new potential property development projects, joint ventures and land banks for future development projects, there cannot be any assurance that our Group will be able to identify and acquire /joint venture attractive sites in the future at commercially acceptable prices.

Our inability to identify and acquire /joint venture attractive sites at commercially acceptable prices could materially and adversely affect our operations and financial position.

(f) Capital requirements

The availability of adequate financing is crucial to our ability to complete development projects according to plan. Typically, our land acquisition and property development projects are financed from a combination of internal funds, shareholders' loans, bank borrowings and sale proceeds from the property development.

There cannot be any assurance that we will have sufficient internal funds available for our property development projects or that we will be able to achieve sufficient sales to fund our developments. In addition, we may not be able to secure adequate financing, if at all, or renew credit facilities granted by banks and financial institutions.

Our Board has earmarked a portion of the funds to be raised from the Rights Issue with Warrants for our current and prospective new development projects. However there can be no assurance that our Group's resources will be adequate to finance our future property development projects.

(g) Dependence on contractors

The property development sector is highly dependent on the performance of the contractors to ensure timely completion of the respective buildings and infrastructure works as per their contractual timeline. We engage third-party contractors for our development works. As such, the performance and profitability of our development project is dependent on the quality, pricing, performance and reliability of the contractors appointed to carry out the development works.

Failure by our contractors to complete their work based on agreed time schedule and to the specification required may materially and adversely affect our ability to deliver completed properties to our end-buyers in a timely manner and to the specification required. We engage third-party contractors to provide various services in respect of our property development business, including design, construction, piling and foundation, building and property fit-out works.

However there is no assurance that the services rendered by third-party contractors will be satisfactory. Moreover, contractors may experience financial or other difficulties such as procuring foreign labour that may affect their ability to carry out the work for which they were contracted, thus delaying the completion of our development works and resulting in additional costs to us. Any of these factors could adversely affect our operations and financial results.

6.2 Risks relating to the property sector

(a) Competition from other property developers

There are a large number of local property developers in Malaysia. Our Group faces competition from existing industry players as well as better capitalised developers in respect of availability of landbank, the supply of labour and raw materials as well as marketing and selling prices of properties. Competition among property developers may result in, among others, oversupply of properties in certain parts of Malaysia, a decrease in property prices, a slowdown in the rate at which new property developments will be approved and/or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining contractors and qualified employees. Any such effect may adversely affect our business, results of operations and financial position. In addition, the property market in Malaysia is rapidly changing.

Notwithstanding the above, our Group's current development is priced at affordable prices; i.e. below RM500,000.

(b) Property overhang

The performance of the Malaysian property market made a comeback in H1 2014 after recording a lacklustre performance in the same period of 2013. The residential overhang showed positive signs as overhangs receded by 11.5% in volume and 9.6% in value from the corresponding period in 2013. Unsold under construction also decreased marginally by 0.1%.

(Source: Property Market Report First Half 2014, Valuation and Property Services Department, Ministry of Finance Malaysia)

We may be adversely affected by unsold properties. In the event that we are unable to sell a significant portion of our properties, our financial results may be materially and adversely affected. In addition, unsold properties that we may continue to hold for sale post-completion may be relatively illiquid, which will limit our ability to realise cash from unsold units at short notice. Such illiquidity will have a negative effect on the prices of unsold units in the event that we are required to sell the unsold properties urgently. In such an event, our cash flow and financial performance may be adversely affected.

Notwithstanding the above, our Group's current development is priced at affordable prices; i.e. below RM500,000. As at the LPD, we have fully sold Phases 1 and 2 and Phase 3 is approximately 24% sold. Our Board is of the opinion that the remaining units of Phase 3 can be easily taken up.

6.3 Risks relating to the Rights Issue with Warrants**(a) Potential Dilution**

Entitled Shareholders who do not accept their provisional allotment of the Right Shares with Warrants will have their proportionate ownership and voting interest in our Company reduced and the percentage enlarged issued and paid-up share capital represented by their shareholdings in our Company reduced accordingly.

(b) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (i) force majeure events or events/circumstances, such as war, hostilities, riot, earthquake, epidemic, flood, fire and storm, which are beyond our Adviser's or our control, arising prior to the implementation of the Rights Issue with Warrants; or
- (ii) JKMBI and DLSC as set out in Section 2.6 above who have given their Undertakings to subscribe and/or procure subscription for such number of Rights Shares with Warrants may not fulfil or be able to fulfil their obligation.

In this respect, all monies raised in the Rights Issue with Warrants which are held in a trust account for our Company will be refunded free of interest within fourteen (14) days to the Entitled Shareholders in the event the Rights Issue with Warrants is aborted. Monies not paid within fourteen (14) days will be returned with interest at the rate of 10% per annum or at such other rates as may be prescribed by the SC. Notwithstanding the above, we will exercise our best endeavour to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants.

(c) Investment and capital market risk

The market price of our Shares are influenced by, among others, the prevailing market sentiments, the volatility of equity markets, movements in interest rates, and our financial performance. In view of this, there is no assurance that the market price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares will trade or be above the issue price of RM0.25 of the Rights Shares or be at a level that meets the specific investment objectives or targets of any other holder of the Rights Shares.

(d) Share price volatility

The market price of our Shares could be affected by numerous factors, including:

- (i) general market, political and economic conditions;
- (ii) trading liquidity of our Shares;
- (iii) changes in earnings estimates and recommendations by financial analysts;
- (iv) changes in government policy, legislation or regulation; and
- (v) general operational and business risks.

In addition, many of the risks described elsewhere in this Abridged Prospectus could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares/Rights Shares will not trade at prices lower than the issue price of the Rights Shares.

(e) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

7.1 Overview and prospects of the global economy

The global economy continued to expand at a moderate pace in the third quarter of 2014, with uneven growth performances across economies. The economy of the United States of America ("US") recorded a seasonally adjusted growth of 3.5% in the quarter (2Q 2014: 4.6%), supported by private consumption and investment activity.

Recovery in the euro area was subdued in the third quarter of 2014. While overall demand conditions were supported by more accommodative monetary conditions, growth remained weak amid high unemployment, low capacity utilisation and ongoing balance sheet adjustments by both the private and public sectors. Business confidence was further affected by geopolitical developments in Eastern Europe, which in turn weighed down on private investment. Meanwhile economic activity in the United Kingdom expanded by 3% in the third quarter of 2014 (2Q 2014: 3.2%) with the services sector being the key contributor to growth, particularly the transport, and business services and finance sectors.

In Asia, economic activity continued to expand, although growth was more moderate in several economies. In Japan, economic activity improved, although the strength of growth remained weak following larger-than-expected impact from the consumption tax increase in April. Private consumption was underpinned by higher retail sales amid better employment conditions. Investment was supported by improving business sentiments.

Going forward, global growth is expected to remain moderate. Growth in the advanced economies is expected to remain uneven. In Asia, growth will be underpinned by a continued expansion in domestic demand and exports. Nevertheless, there remain considerable downside risks to global growth. These include prolonged weakness in domestic demand and low inflation in a number of major economies, uncertainty over monetary policy adjustments in key advanced economies and persistent geopolitical tensions that could heighten financial market volatility.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2014, Bank Negara Malaysia)

7.2 Overview and prospects of the Malaysian economy

The Malaysian economy is expected to remain on a steady growth path in 2014, expanding between 4.5% and 5.5%. Domestic demand is anticipated to remain the key driver of growth, albeit at a more moderate pace, reflecting the continued public sector consolidation. Private investment is forecast to register robust growth for the fifth consecutive year, driven by the ongoing implementation of multi-year projects and the improvement in external demand. Private consumption is expected to be underpinned by healthy labour market conditions and sustained income growth. Nonetheless, household spending is expected to moderate towards its long-term trend growth, reflecting in part the impact of the higher inflation. Public consumption is projected to record lower growth, following the ongoing consolidation of the Government's fiscal position, while public investment is anticipated to register a higher growth, supported by both Government and public enterprise capital spending. *(Source: Annual Report 2013, Bank Negara Malaysia)*

The Malaysian economy registered a growth of 5.6% in the third quarter of 2014 (2Q 2014: 6.5%), supported by private sector demand and continued positive growth in net exports of goods and services. On the supply side, growth in the major economic sectors was sustained, supported by trade and domestic activities. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 0.9% (2Q 2014: 1.9%).

Growth in the private sector was supported by stable labour market conditions and continued wage growth. On the supply side, positive growth was experienced across all economic sectors in the third quarter. The services sector recorded sustained growth, supported mainly by the consumption- and production-related services sub-sectors. Similarly, growth in the construction sector also remained sustained, driven by the residential and non-residential sub-sectors. After an exceptionally strong performance in the second quarter, the manufacturing sector expanded at a more moderate pace amid slower domestic-oriented activity. The agriculture sector registered a slower growth following weaker output of palm oil and rubber, while the mining sector grew at a more moderate pace amidst lower production of natural gas and condensates.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2014, Bank Negara Malaysia)

7.3 Overview and prospects of the property market

7.3.1 Overview and prospects of the Malaysian property market

The strong economic growth of 6.4% registered in the second quarter of 2014 and a low interest rate regime with the average base lending rate of commercial banks prevailed at 6.53% and the weighted average lending rate stabilising at 5.37% until end-June 2014 remained supportive of property market activity. The performance of the Malaysian property market made a comeback in H1 2014 after recording a lacklustre performance in the same period of 2013. In the first half of 2014, the property sector grew at 3.3% in market volume and 19.1% in market value. The residential subsector continued to drive the national property market accounting for 63.5% of national transactions in the first half of 2014; followed by the agricultural (19.5%), commercial (9.1%), development land (5.9%) and industrial subsectors (2.0%).

Market movements across the subsectors were on a recovery path with the exception of the industrial subsector. Residential, commercial and agricultural subsectors recorded a positive upturn of 2.3%, 6.5% and 4.2% respectively against H1 2013. Industrial subsector contracted 3.3%, but it was lower than the contraction rate recorded in H1 2013 of 13.9%.

Residential subsector

Whilst the residential subsector saw a recovery in the overall market activity and improvement in overhang, the primary market experienced softening reception in new launches and the construction-side saw a held back in starts. The residential subsector recorded an increase by 2.3% in volume and 19.4% in value in the review period.

The residential overhang showed positive signs as the numbers receded to 12,105 units worth RM4.54 billion, down by 11.5% in volume and 9.6% in value from the corresponding period in 2013. The number of new launches recorded an increase of 15% to 25,935 units compared to (H1 2013; 22,520 units). However, the primary market experienced softening reception of new launches with sales performance of 22.6%.

Commercial subsector

The commercial subsector registered 17,508 transactions in the first half of 2014, increasing by 6.5% compared to H1 2013. Value of transactions moved in tandem, increasing by 10.2% to RM16.22 billion.

Shop subsector dominated 54.9% of the commercial property transactions in the first half of 2014. In comparison to the corresponding period in 2013, the shop subsector recorded a marginal decrease in volume by 0.5% to 9,608 transactions. In terms of value however, the shop subsector increase by 9.0% to RM7.12 billion.

Commercial overhang increased by 9.0% in volume and 26.9% in value in comparison to the first half of 2013. Construction activity also toned down in line with the easing of market activity and increasing overhang. Completions reduced by 9.8% against first quarter of 2013 whilst starts continued to record contraction at a higher rate of 30.5%.

Industrial subsector

The industrial subsector recorded a slight moderation in H1 2014, recording 3,935 transactions worth RM6.87 billion, down by 3.3% in volume against H1 2013. In terms of value, the industrial subsector recorded an increase of 20.0% from the corresponding period in 2013.

The industrial overhang improved in the first half of 2014, with 342 units worth RM169.49 million, reducing by 28.0% in volume and 6.1% in value against H1 2013. The industrial subsector saw a moderate growth of 15.3% in completions whilst starts recorded an increasing trend since H1 2012.

Agricultural subsector

The agricultural subsector saw a slight improvement in market activity, recording 37,641 transactions worth RM6.84 billion, increasing by 4.2% in volume and 8.0% in value against H1 2013. The property was the second most prominent subsector, capturing 19.5% of the overall market activity. By type, vacant land formed the bulk of the transactions with 44.0% (16,558 transactions) contribution, followed by oil palm (15.2%; 5,722 transactions) and paddy (13.5%; 5,093 transactions).

(Source: Property Market Report First Half 2014, Valuation and Property Services Department, Ministry of Finance Malaysia)

The property market activity is expected to be driven largely by the residential sector. Affordable housing is foreseen to remain in focus in the coming years.

(Source: Press Release dated 22 April 2014, Malaysian Property Market 2013, National Property Information Centre (NAPIC), Valuation & Property Services Department, Ministry of Finance Malaysia)

7.3.2 Overview and prospects of the Negeri Sembilan property market

The state's property market moved on a positive track as market activity was robust with prices and rentals remained sturdy and the residential overhang situation improved.

The review period registered 13,386 transactions with a total value of RM3.88 billion, up by 18.9% and 56.4% in volume and value respectively against H1 2013. The residential property remained the paramount subsector with 9,867 transactions, contributing 73.7% of the overall market share. Agricultural and commercial subsectors contributed market shares of 13.5% and 7.9%, respectively.

Market activity varied across all subsectors. Residential and development land subsectors grew by 32.8% and 7.9%, respectively against H1 2013. Conversely, agricultural, commercial and industrial subsectors contracted between 7.6% and 20.8%. In terms of value, residential, commercial and development land experienced growths whilst industrial and agricultural recorded the contrary.

Prices movements of residential property varied. Increases were recorded in established schemes whilst decreases were noted in several areas. The state's All House Price Index stood at 176.4 points, up by 2.0% from H1 2013. On a similar trend, the "average house" All House Price increased from RM163,137 to RM166,481. In the primary market, a total of 1,224 residential units were launched in H1 2014, as compared to 798 units launched in H1 2013. However, sales performance declined from 36.2% to 34.1%. Terraced houses formed the largest portion of the new launches, accounting for 62.3% of the total. The residential overhang situation improved, down by 24.2% in volume and 21.7% in value from H1 2013.

In the commercial sub-sector, shops located within established housing schemes and with good accessibility gained advantage whilst those adjacent to the new development known as Bandar IOI Jempol also recorded gains. The shop overhang increased to 668 units worth RM195.22 million, up by 14.6% in volume and 47.8% in value as compared to H1 2013.

(Source: Property Market Report First Half 2014, State of Negeri Sembilan, Valuation and Property Services Department, Ministry of Finance Malaysia)

7.4 Future prospects of our Group

Our Group's business is primarily in (a) ticketing services and (b) property development. In the last few years, revenue from ticketing services has been decreasing with the increasing use of internet mediated transactions which links airline companies directly to prospective clients and the growing popularity for online flight purchases directly by purchasers.

Since July 2013, our Group had undertaken a review of its operations, and resulting therefrom, adopted cost cutting measures by streamlining operations, processes and has undertaken drastic actions in controlling overheads, such as marketing costs, administration costs and personnel costs, amid the continuing decline in our Group's main revenue contributor, agency ticketing services.

The development of the Mantin Project had also previously not been efficiently and carefully managed and as a result, the project was delayed and additional costs and liabilities had to be incurred. As part of the streamlining process, our Board has since reworked the completion timeline, put in place control and supervision procedures, regularly monitoring the construction progress and property development cost for the remaining Phase 3 of the Mantin Project to ensure minimal materials wastages/leakages.

The proceeds from the Rights Issue with Warrants are to fund our current property development project as well as to fund future projects relating to property development. At this juncture, our Board is actively seeking new property development projects and property development is expected to lead the growth of the Group. The completion of the Rights Issue with Warrants is expected to put our Group onto a better financial standing, with the proposed allocation of up to RM18.75 million intended to serve as standby funding to embark on future projects whilst efforts are underway to identify new joint venture projects for our future projects.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

The effects of the Rights Issue with Warrants on our share capital, consolidated earnings and EPS, dividend, substantial shareholders' shareholdings, NA and gearing are as follows:

8.1 Share capital

The effects of the Rights Issue with Warrants on the issued and paid-up share capital of our Company are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Existing issued and paid-up capital as at the LPD	50,895,000	12,723,750	50,895,000	12,723,750
Shares to be issued pursuant to the Rights Issue with Warrants	34,000,000	8,500,000	101,790,000	25,447,500

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
After the Rights Issue with Warrants	84,895,000	21,223,750	152,685,000	38,171,250
Shares to be issued assuming full exercise of the Warrants	25,500,000	6,375,000	76,342,500	19,085,625
Enlarged share capital	110,395,000	27,598,750	229,027,500	57,256,875

8.2 Earnings and EPS

As the Rights Issue with Warrants is expected to be completed end of December 2014, there will be no material effect on our Group's consolidated earnings and EPS for the FYE 31 December 2014.

The proceeds from the Rights Issue with Warrants is earmarked to finance the completion of Phase 3 of the Mantin Project and funding for future property development projects. As such, the Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds raised from the Rights Issue with Warrants are realised.

However, the consolidated EPS of our Company may be proportionately diluted as a result of the increase in the number of ordinary shares in the Company in issue after the Rights Issue with Warrants. Notwithstanding the above, the actual impact on the future earnings and consolidated EPS will depend on the level of returns generated from the utilisation of proceeds in our property development activities in the ensuing years.

8.3 Convertible Securities

As at the LPD, the Company does not have any outstanding convertible securities in issue.

8.4 NA and gearing

Based on the audited consolidated financial statements of our Group as at 31 December 2013, the pro forma effect of the Rights Issue with Warrants on the NA and gearing of our Group is set out below:

Minimum Scenario

		I	II	III
	Audited as at 31.12.2013	After Subsequent Event~	After I and Rights Issue with Warrants	After II and full exercise of Warrants
	RM	RM	RM	RM
Share capital	50,895,000	12,723,750	21,223,750 ^Ω	27,598,750 ^{^^}
Accumulated losses	(30,508,607)	-	-	-
Foreign currency translation	157,210	157,210	157,210	157,210
Capital reserves [@]	-	7,162,643 [^]	7,162,643	7,162,643
Share premium	-	-	-	1,785,000
Warrants reserve	-	-	4,590,000 ^φ	-
Discount on shares	-	-	(4,590,000)	-
NA	20,543,603	20,043,603	28,543,603	36,703,603

	I	II	III
	Audited as at 31.12.2013	After Subsequent Event~	After I and Rights Issue with Warrants
	RM	RM	RM
No. of shares	50,895,000	50,895,000	84,895,000
Par value	1.00	0.25	0.25
NA per share	0.40	0.39	0.34
Bank borrowings	1,088,535	1,088,535	1,088,535
Gearing (times)	0.05	0.05	0.04

Maximum Scenario

	I	II	III
	Audited as at 31.12.2013	After Subsequent Event~	After II and the full exercise of Warrants
	RM	RM	RM
Share capital	50,895,000	12,723,750	38,171,250*
Accumulated losses	(30,508,607)	-	-
Foreign currency translation	157,210	157,210	157,210
Capital reserves [@]	-	7,162,643 [^]	7,162,643
Share premium	-	-	5,343,975
Warrants reserve	-	-	13,741,650 [#]
Discount on shares	-	-	(13,741,650)
NA	20,543,603	20,043,603	45,491,103
No. of shares	50,895,000	50,895,000	152,685,000
Par value	1.00	0.25	0.25
NA per share	0.40	0.39	0.30
Bank borrowings	1,088,535	1,088,535	1,088,535
Gearing (times)	0.05	0.05	0.02

Notes:

~ Our Company had on 8 August 2014 completed its reduction in the issued and paid-up share capital of RM50,895,000 comprising 50,895,000 ordinary shares of RM1.00 each to RM12,723,750 comprising 50,895,000 JIB Shares via the cancellation of RM0.75 from the par value of ordinary share of RM1.00 in JIB to RM0.25 pursuant to Section 64 of the Act.

@ Remaining credit after the set-off of the accumulated losses of our Group.

^ After deducting estimated expenses of RM500,000 incurred in relation to the Rights Issue with Warrants.

Ω Based on the issuance of 34,000,000 Rights Shares, at an issue price of RM0.25 per Rights Share.

* Based on the issuance of 101,790,000 Rights Shares, at an issue price of RM0.25 per Rights Share.

φ Based on the issuance of 25,500,000 Warrants at an estimated allocated fair value of RM0.18 per Warrant which was arrived at based on the Black-Scholes option valuation model obtained from Bloomberg.

Based on the issuance of 76,342,500 Warrants at an estimated allocated fair value of RM0.18 per Warrant which was arrived at based on the Black-Scholes option valuation model obtained from Bloomberg.

^^ Based on the issuance of 25,500,000 new JIB Shares, arising from the exercise of the Warrants, at an exercise price of RM0.32 per Warrant.

** Based on the issuance of 76,342,500 new JIB Shares, arising from the full exercise of Warrants at an exercise price of RM0.32 per Warrant.

8.5 Substantial Shareholders' Shareholdings

The effect of the Rights Issue with Warrants on the shareholdings of our substantial shareholders is set out below:

Minimum Scenario

Substantial Shareholders	As at 18 November 2014			After the Rights Issue with Warrants			After I and full exercise of Warrants		
	Direct No. of shares	Indirect No. of shares	%	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
JKMBI	13,621,225	-	26.76	26,421,225	-	31.12	36,021,225	-	32.63
Dato' Ng Kek Kiong*	-	13,621,225	26.76	-	26,421,225	31.12	-	36,021,225	32.63
Huang WeiSheng [#]	-	13,621,225	26.76	-	26,421,225	31.12	-	36,021,225	32.63
Ong Soon Siau*	-	13,621,225	26.76	-	26,421,225	31.12	-	36,021,225	32.63
FS Motorsports Sdn Bhd	4,000,000	-	7.86	4,000,000	-	4.71	4,000,000	-	3.62
Foong Kah Heng**	2,510,000	4,000,000	4.93	2,510,000	4,000,000	2.96	2,510,000	4,000,000	2.27
DLSC	500,000	-	0.98	21,700,000	-	25.56	37,600,000	-	34.06

Maximum Scenario

Substantial Shareholders	As at 18 November 2014			After the Rights Issue with Warrants			After I and full exercise of Warrants		
	Direct No. of shares	Indirect No. of shares	%	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
JKMBI	13,621,225	-	26.76	40,863,675	-	26.76	61,295,513	-	26.76
Dato' Ng Kek Kiong*	-	13,621,225	26.76	-	40,863,675	26.76	-	61,295,513	26.76
Huang WeiSheng [#]	-	13,621,225	26.76	-	40,863,675	26.76	-	61,295,513	26.76
Ong Soon Siau*	-	13,621,225	26.76	-	40,863,675	26.76	-	61,295,513	26.76
FS Motorsports Sdn Bhd	4,000,000	-	7.86	12,000,000	-	7.86	18,000,000	-	7.86
Foong Kah Heng**	2,510,000	4,000,000	4.93	7,530,000	12,000,000	4.93	11,295,000	18,000,000	4.93
DLSC	500,000	-	0.98	1,500,000	-	0.98	2,250,000	-	0.98

Notes:

- * *Deemed interested by virtue of his substantial shareholding in JKMBI pursuant to Section 6A of the Act.*
- # *Deemed interested by virtue of his indirect interest in JKMBI through his substantial shareholding in HK Jiankun International Holding Co. Limited ("HKJIH"), HKJIH is a holding company of Jiankun International Commerce & Trade Logistics (Suining) Co. Limited and a ultimate holding company of Suining Jiankun Mazhong Commerce & Trade Co. Limited ("SJMCT"), of which SJMCT holds 40% interest in JKMBI, pursuant to Section 6A of the Act.*
- ** *Deemed interested by virtue of his substantial shareholding in FS Motorsports Sdn Bhd pursuant to Section 6A of the Act.*

8.6 Dividend

The Rights Issue with Warrants is not expected to affect the dividend policy of our Company as future dividends payable by our Company would be dependent on inter-alia, the future profitability and cashflow position of our Group.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**9.1 Working capital**

Our Board is of the opinion that after taking into consideration the proceeds of the Rights Issue with Warrants, cash in hand, cashflow generated from our operations and banking facilities available, our Group will have adequate working capital to meet our business requirements due within a period of twelve (12) months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group had total outstanding bank borrowings as follows:

Fixed rate interest bearing borrowings:	
Currency (RM)	RM'000
Short-term borrowings	299
Long-term borrowings	152
Total	<u>451</u>

After having made all reasonable enquiries and to the best knowledge of our Board, there has not been any default on payments of either interest or principal sums by our Group, in respect of any borrowings during the FYE 31 December 2013 and for the subsequent financial periods up to the LPD.

9.3 Material Commitments

As at the LPD, our Board, after having made all reasonable enquiries, confirms that there is no material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of our Group as at the LPD.

9.4 Contingent liabilities

As at the LPD, our Board, after having made all reasonable enquiries, confirms that there is no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profit after taxation or NA of our Group.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,

For and on behalf of the Board of,


JIANKUN INTERNATIONAL BERHAD *(formerly known as Nagamas International Berhad)*



DATO' IR LIM SIANG CHAI
Executive Chairman

CERTIFIED EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 20 MARCH 2014

CERTIFIED TRUE COPY


TUA YAN KHIIM
Company Secretary
MAICSA 7046902

NAGAMAS INTERNATIONAL BERHAD

(Company No. 111365-U)

(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF NAGAMAS INTERNATIONAL BERHAD HELD ON 20 MARCH, 2014

SPECIAL RESOLUTION 2

PROPOSED PAR VALUE REDUCTION OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL OF NAGAMAS FROM RM50,895,000 COMPRISING 50,895,000 ORDINARY SHARES OF RM1.00 EACH TO RM12,723,750 COMPRISING 50,895,000 ORDINARY SHARES OF RM0.25 EACH PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 (“PROPOSED PAR VALUE REDUCTION”)

“THAT, subject to the confirmation of the High Court of Malaya, the passing of the Special Resolution 3 and Ordinary Resolution 1 and the approvals from the relevant authorities being obtained where necessary, the approval be and is hereby given to the Directors of the Company to reduce the issued and paid-up share capital of Nagamas from RM50,895,000 comprising 50,895,000 ordinary shares of RM1.00 each to RM12,723,750 comprising 50,895,000 ordinary shares of RM0.25 each through the cancellation of RM0.75 from the existing par value of RM1.00 of each Nagamas share;

AND THAT the credit arising from the Proposed Par Value Reduction be applied towards setting off against the accumulated losses of the Company and the remaining balance (if any) will be credited to the capital reserve of the Company which may be utilised in such manner as the Directors of Nagamas deems fit and as permitted by relevant and applicable laws;

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to finalise, implement and give effect to the Proposed Par Value Reduction with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be imposed or permitted by the relevant authorities”.



NAGAMAS INTERNATIONAL BERHAD (111365-U)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF NAGAMAS INTERNATIONAL BERHAD HELD ON 20
MARCH, 2014

SPECIAL RESOLUTION 3

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF NAGAMAS ("PROPOSED AMENDMENTS")

"THAT, subject to the passing of Special Resolution 2 and Ordinary Resolution 1, the Memorandum and Articles of Association of the Company be amended by deleting Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association in their entirety and be substituted in place thereof, the following sentences:-

Existing Memorandum and Articles of Association

Clause 5 of the Memorandum of Association

The capital of the company is 100,000,000 divided into 100,000,000 shares of RM1/- each.

Article 3 of the Articles of Association

The authorised capital of the Company is RM100,000,000/- divided into 100,000,000 ordinary shares of Ringgit Malaysia One (RM1.00) only each all ranking pari passu with one another.

Proposed Amendments

New Clause 5 of the Memorandum of Association

The capital of the company is RM100,000,000 divided into 400,000,000 ordinary shares of RM0.25 each.

New Article 3 of the Articles of Association

The authorised capital of the Company is RM100,000,000/- divided into 400,000,000 ordinary shares of Ringgit Malaysia Sen Twenty Five (RM0.25) only each all ranking pari passu with one another.

AND THAT the Directors of the Company be and is hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments."

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 101,790,000 NEW ORDINARY SHARES OF RM0.25 EACH IN NAGAMAS ("RIGHTS SHARES") TOGETHER WITH UP TO 76,342,500 NEW FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) ORDINARY SHARE OF RM0.25 EACH HELD AFTER THE PROPOSED PAR VALUE REDUCTION, TOGETHER WITH THREE (3) WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED ON ENTITLEMENT DATE TO BE DETERMINED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"THAT, subject to the approval of Special Resolutions 2 and 3, and subject further to the approval of all relevant authorities, including but not limited to the approval-in-principle being obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for all the Rights Shares and Warrants to be issued hereunder and all the new ordinary shares of RM0.25 each in Nagamas to be issued arising from the exercise of the Warrants (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by Bursa Securities), the approval be and is hereby given to the Directors of the Company to:



*NAGAMAS INTERNATIONAL BERHAD (111365-U)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF NAGAMAS INTERNATIONAL BERHAD HELD ON 20
MARCH, 2014*

- (a) allot and issue by way of a renounceable rights issue of up to 101,790,000 Rights Shares, to the shareholders of Nagamas whose names appear in the record of depositors as at the close of business on an entitlement date to be determined by the Directors and to be announced by the Company (“Entitled Shareholders”) on the basis of two (2) Rights Shares for every one (1) ordinary share of RM0.25 each held after the Proposed Par Value Reduction at an issue price to be determined later;
- (b) allot and issue up to 76,342,500 free Warrants to those Entitled Shareholders who have successfully applied for the Rights Shares on the basis of three (3) Warrants for every four (4) Rights Shares successfully subscribed;
- (c) constitute the Warrants upon the terms and conditions of a deed poll to be executed by Nagamas (“Deed Poll”), the principal terms of which are set out in Section 2.2, Part B of the Circular to Shareholders dated 26 February 2014 and wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the exercise period, for one (1) new Nagamas Share at an exercise price to be determined later;
- (d) allot and issue such number of additional Warrants pursuant to the adjustments under the Deed Poll and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed/ required/ permitted by Bursa Securities and any other relevant authorities or parties or otherwise; and
- (e) allot and issue such number of new Nagamas Shares arising from the exercise of the Warrants during the tenure of the Warrants;

AND THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall be made available for excess applications by the Entitled Shareholders and/or their renounees(s) and such excess Rights Shares shall be allocated in a fair and equitable manner on a basis to be determined by the Directors of the Company in their absolute discretion and announced later by the Company;

AND THAT the Directors of the Company be and are hereby empowered and authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue with Warrants in such manner and on such terms and conditions as the Directors of the Company in their absolute discretion as they may deem fit or think expedient or in the best interest of the Company;

AND THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 2.2.5, Part B of the Circular to Shareholders of the Company dated 26 February 2014, and the Directors of the Company be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors of the Company may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;



*NAGAMAS INTERNATIONAL BERHAD (111365-U)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF NAGAMAS INTERNATIONAL BERHAD HELD ON 20
MARCH, 2014*

AND THAT the Rights Shares and the new Nagamas Shares to be issued pursuant to the exercise of the Warrants shall upon allotment, rank pari passu in all respects with the then existing issued and fully paid-up shares in the capital of the Company, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares and the new Nagamas Shares to be issued arising from the exercise of the Warrants respectively;

AND THAT the Rights Shares and Warrants and the new Nagamas Shares to be issued pursuant to the exercise of the Warrants shall be listed on Bursa Securities;

AND THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll upon the terms set out in Part B of the Circular to the Shareholders of the Company dated 26 February 2014 with full powers to assent to any conditions, variations, modifications and/or amendments as may be imposed or permitted by the relevant authorities or as may be deemed necessary by the Directors of the Company, and, subject to all provisions and adjustments contained in the Deed Poll, to assent to any modification and/or amendment to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as a consequence of any adjustments under the provisions of the Deed Poll, with full powers to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as they may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll;

AND THAT the Directors of the Company be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by any relevant authorities or deemed necessary by the Directors of the Company in the best interest of the Company, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.”

Director
DATO' IR LIM SIANG CHAI

Dated: 20 March, 2014

Secretary
TUA YAN KHIM (f)
(MAICSA 7046902)

SALIENT TERMS OF THE WARRANTS

Terms	Details
Number of Warrants	: Up to 76,342,500 Warrants to subscribe for up to 76,342,500 new JIB Shares.
Form and denomination	: The Warrants will be issued in registered form and will be constituted by the Deed Poll. The Warrants which are to be issued are immediately detachable from the Rights Shares upon allotment and traded separately on Bursa Securities.
Exercise Rights	: Each Warrant entitles the registered holder to subscribe for one (1) new JIB Share at the Exercise Price at any time during the Exercise Period.
Exercise Price	: The exercise price of the Warrants is RM0.32 per Warrant. The exercise price and the number of outstanding Warrants shall be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.
Exercise Period	: The Warrants may be exercised at any time during the tenure of the Warrants of seven (7) years including and commencing from the issue date and ending at 5.00 p.m. on the Expiry Date. The Warrants not exercised during the Exercise Period will thereafter lapse and become void.
Expiry Date	: A date which falls on the day before the seventh (7 th) anniversary of the issue date, provided that if such day falls on a day which is not a market day, then on the preceding market day.
Adjustment in the Exercise Price and/or the number of Warrants in the event of alteration to the share capital	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants held by each holder of Warrants shall be adjusted by our Board in consultation with an approved adviser appointed by our Company for the purposes of the Deed Poll in the event of alteration to the share capital of our Company, in accordance with the provisions as set out in the Deed Poll.
Status of the new JIB Shares to be issued pursuant to the exercise of the Warrants	: The new JIB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, rank <i>pari passu</i> in all respects with the then existing JIB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the said new JIB Shares.
Modification of rights of Warrant holder	: Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant holders.
Rights of holders of Warrants	: The holders of Warrants are not entitled to any voting rights in any general meeting of our Company or to participate in any distribution and/or offer of further securities in our Company until and unless such holder of Warrants are issued with new JIB Shares arising from their exercise of the Warrants.

Terms	Details
Rights in the event of winding up, liquidation or an event of default	<p>: Where a resolution has been passed by our Company for a members' voluntary winding-up or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one (1) or more companies:</p> <p>(a) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of Warrants or some persons designated by them for such purposes by special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of Warrants; and</p> <p>(b) in any other case, every Warrant holder shall be entitled at any time within six (6) weeks after the granting of the court order or the last approval being granted (whichever is later), by irrevocable surrender of his Warrants together with payment of the relevant subscription monies, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the subscription rights represented by such Warrants and be entitled to receive out of the assets which would be available in liquidation if he had on such date been the holder of the new JIB Shares to which he would have become entitled pursuant to such exercise; and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.</p>
Board Lot	<p>: The Warrants are tradeable upon listing in board lots of 100 units carrying the right to subscribe for 100 new JIB Shares or such other number of units as may be prescribed by Bursa Securities.</p>
Listing	<p>: The Warrants will be listed on the Main Market of Bursa Securities.</p>
Transferability	<p>: The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.</p>
Governing Law	<p>: Laws of Malaysia.</p>

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INFORMATION ON OUR COMPANY**1. HISTORY AND BUSINESS**

Our Company was incorporated in Malaysia under the Act on 8 December 1983 as a private limited company under the name of Tenco Sdn Bhd. We were converted into a public company on 16 May 1990 and assumed the name Tenco Berhad. Our Company was listed on the then Second Board of Kuala Lumpur Stock exchange (now known as Bursa Securities) on 9 November 1993. On 10 September 2007, our Company changed its name to "Nagamas International Berhad". Subsequently, our Company, on 31 March 2014 changed its name to "Jiankun International Berhad."

The principal activity of our Company is investment holding whilst the principal activities of our subsidiaries are disclosed in Section 5 below.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital is as follows:-

Type	No. of Shares	Par value RM	Total RM
Authorised	400,000,000	0.25	100,000,000
Issued and fully paid-up share capital	50,895,000	0.25	12,723,750

Changes in Issued and Paid-Up Share Capital

The changes in our Company's issued and paid-up share capital since incorporation are as follows:

Date of allotment	No. of shares	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
08.12.1983	2	1.00	Subscriber shares	2
07.09.1993	10,629,998	1.00	Acquisition	10,630,000
09.09.1993	7,370,000	1.00	Rights issue	18,000,000
05.10.1999	(9,000,000)	1.00	Recalling, cancellation and consolidation of shares	9,000,000
16.12.1999	20,000,000	1.00	Acquisition	29,000,000
15.02.2000	23,200,000	1.00	Rights issue	52,200,000
21.08.2007	(26,100,000)	1.00	Par value reduction and consolidation	26,100,000
05.09.2007	11,745,000	1.00	Special issue of shares	37,845,000
18.09.2007	13,050,000	1.00	Rights issue	50,895,000
08.08.2014	-	0.25	Par value reduction	12,723,750

3. BOARD OF DIRECTORS

The age, profession, designation, nationalities and addresses of our Board are set out under the Corporate Directory on Board of Directors of this Abridged Prospectus. The pro forma effects of the Rights Issue with Warrants on the shareholdings of our Board based on the Register of Directors are as follows:

	As at the LPD			I			II					
	Direct No. of Shares	%	Indirect No. of Shares	After the Rights Issue with Warrants			After I and full exercise of Warrants					
				Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares			
<i>Minimum Scenario</i>												
DLSC	500,000	0.98	-	21,700,000	25.56	-	37,600,000	34.06	-	-	-	-
Dato' Ng Kek Kiong*	-	-	13,621,225	26.76	-	26,421,225	31.12	-	-	-	36,021,225	32.63
Dato' Chen Oyan Yun Shai	900,000	1.77	300,000*	0.59	900,000	1.06	900,000	0.82	300,000*	0.27	-	-
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	-	-	-	-	-	-	-	-	-	-	-	-
Fathi Ridzuan bin Ahmad Fauzi	-	-	-	-	-	-	-	-	-	-	-	-
Lee Yun Choong	-	-	-	-	-	-	-	-	-	-	-	-
	As at the LPD			I			II					
	Direct No. of Shares	%	Indirect No. of Shares	After the Rights Issue with Warrants			After I and full exercise of Warrants					
				Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares			
<i>Maximum Scenario</i>												
DLSC	500,000	0.98	-	1,500,000	0.98	-	2,250,000	0.98	-	-	-	-
Dato' Ng Kek Kiong*	-	-	13,621,225	26.76	-	40,863,675	26.76	-	-	-	61,295,513	26.76
Dato' Chen Oyan Yun Shai	900,000	1.77	300,000*	0.59	2,700,000	1.77	4,050,000	1.77	1,350,000*	0.59	-	-
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	-	-	-	-	-	-	-	-	-	-	-	-
Fathi Ridzuan bin Ahmad Fauzi	-	-	-	-	-	-	-	-	-	-	-	-
Lee Yun Choong	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

* Deemed interested by virtue of his substantial shareholding in JKMBI pursuant to Section 6A of the Act.

Deemed interested by virtue of her son, Chin Fook Kwon.

4. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders, the pro forma effects of the Rights Issue with Warrants on our Substantial Shareholders' shareholdings are as set out in Section 8.5 of this Abridged Prospectus.

5. SUBSIDIARIES

Our subsidiaries as at the LPD are as follows:-

Name	Date and place of incorporation	Issued and paid-up capital	Effective ownership %	Principal activities
Nagamas Land Development Sdn Bhd	12.06.2008 Malaysia	RM4,000,000	100	Property development
Mas-Be Travel Services Sdn Bhd	31.08.2007 Malaysia	RM500,000	100	Provision of travel, cargo handling and aviation-related business services
Nagamas Aviation Services Sdn Bhd	28.09.2007 Malaysia	RM500,000	100	Provision of management services for air cargo transportation business and travel ticketing business
Nagamas Bizworks Sdn Bhd	17.03.2010 Malaysia	RM100,000	100	Public relation consulting services and dealing with agents, corporate, local authorities and government, and other related public relation consulting works
Nagamas Venture Sdn Bhd	09.07.2010 Malaysia	RM2,000,000	100	Project management
Nagamas Enterprise (HK) Ltd	02.03.2007 Hong Kong	HKD1,000,000	100	Dormant
Nagamas International (HK) Ltd	02.03.2007 Hong Kong	HKD20,000,000	100	Property development and investment

6. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the FYE 31 December 2011 to 2013 are as follows:

	←-----Audited FYE 31 December-----→			Unaudited nine (9)-month 30 September 2014
	2011	2012	2013	
Revenue	15,336,190	10,291,455	6,349,481	3,126,443
Profit/(loss) before taxation	(1,321,624)	(1,593,922)	8,850,720	(1,643,522)
<i>Add:</i>				
Finance costs	101,307	132,109	164,920	45,513
Depreciation and amortisation	36,235	47,429	98,644	76,602
<i>Less:</i>				
Interest income	1,791	7,880	4,741	-
<i>Adjustment:</i>				
Gain in fair value of properties	-	-	11,086,770	-
Earnings/(loss) before interest, taxation, depreciation, and amortisation	(1,185,873)	(1,422,264)	(1,977,227)	(1,521,407)
Other income	3,033,800	9,896	11,125,280*	5,708
Taxation income/(expense)	58,111	-	(4,209,760)	-
Profit/(loss) after taxation	(1,263,513)	(1,593,922)	4,640,961	(1,643,522)
Foreign currency translation reserves	275,763	(318,629)	914,128	166,646
Profit/(loss) after taxation attributable to minority interests and equity holders of parent	(987,750)	(1,593,922)	4,640,961	(1,643,522)
Number of ordinary shares in issue	50,895,000	50,895,000	50,895,000	50,895,000
Gross profit	1,569,568	2,227,943	1,598,093	784,935
Gross profit margin (%)	10.2	21.6	25.2	25.1
Basic/diluted profit/(loss) per Share (sen)	(1.94)	(3.13)	9.12	(3.23)
Share of profit and loss of associate and joint ventures	-	-	-	-
Dividend per share (sen)	n/a	n/a	n/a	n/a

Notes:

* Comprises primarily of RM11.09 million in gain in fair value of investment properties which are situated in Huizhou, China, under long leases.

n/a Not applicable.

Commentary on financial performance

FYE 31 December 2011

In the FYE 31 December 2011, our Group recorded a decrease in revenue of 48.7% against the preceding year (2010: RM29.9 million) to RM15.3 million, in line with the reduction in our Group's ticketing and cargo services by 59.2%, due to the increasing use of internet mediated transactions which linked cargo and airline companies directly to prospective clients. However, revenue was contributed by the property development segment which recorded revenue of RM4.3 million, an increase by 53.7%, arising from development and sale of shoplots under Phase 1 of the Mantin Project. Meanwhile, our Group also received other income amounting to RM3.0 million from consultancy services for a project involving the refurbishment of a low cost carrier terminal in China. Our Group registered gross profit margin of 10.2%, up from 4.2% in the preceding year. However, our Group recorded a loss after taxation of RM1.3 million (2010: loss after taxation of RM24.0 million), arising mainly from the reduction in our Group's revenue from ticketing and cargo services (2010: Revenue from ticketing and cargo services : RM27.1 million).

FYE 31 December 2012

For the FYE 31 December 2012, revenue fell by 32.9% to RM10.3 million against the preceding year and loss after taxation of RM1.6 million, an increase in loss after taxation of 26.2% from the preceding year. The decline in revenue was due to the decrease in sales on the ticketing services segment which continued to decrease by 37.6% to RM6.9 million due to the growing popularity for online flight ticket purchases directly by purchasers and a reduction in our Group's property development division revenue by 72.2% to RM1.2 million due to the completion of the shoplots under Phase 1 of the Mantin Project*. Our Group's revenue however was supported by our management and consultancy segment which recorded revenue of RM2.2 million, contributing 21.4% of our Group's revenue for the financial year based on the project delivery partner agreement on a project known as "Silverlakes"[^], which commenced during the year. Our Group's gross profit margin for the FYE 31 December 2012 was 21.6%, an increase from 10.2% in the preceding year due to higher contribution from our property development and management and consultancy segments. The increase in our Group's loss after taxation was however due mainly to higher fixed cost and operating cost for the Silverlakes project as well as additional cost for change in contractors for the Mantin Project.

- * Construction and infrastructure works for Phase 1 of the Mantin Project was completed in 2012.
- [^] Nagamas Venture Sdn Bhd ("NVSB"), a wholly-owned subsidiary of JIB entered into a Project Delivery Agreement on 9 June 2012 with Xtreme New Sdn Bhd ("the Developer") for NVSB to be appointed as a project delivery partner to deliver total management (both construction and non-construction aspects) of the Silverlakes project located in Batu Gajah, Perak. NVSB was to be responsible for the overall management of the said project, for all aspects of the development including but not limiting to design & build, operating, maintaining and sales and marketing in relation to the project.

FYE 31 December 2013

For the FYE 31 December 2013, our Group recorded a decrease in revenue by 38.3% to RM6.3 million and a profit after taxation of RM4.6 million (2012: loss after taxation of RM1.6 million).

The reduction in revenue was due to the further decline in our Group's ticketing services by approximately 63.0% to RM2.5 million on low demand for ticketing agency services. Our Group's property development segment recorded revenue of approximately RM3.8 million, an increase of 12.2% from the preceding year of approximately RM3.4 million, arising from the development and sale of double storey terraced houses under Phases 2 and 3 of the Mantin Project.

Our Group's gross profit margin for the FYE 31 December 2013 was 25.2%, an increase from 21.6% in the preceding year due to a higher contribution from our higher margin property development segment. Our Group recorded a profit after taxation of RM4.6 million as compared to a loss after taxation of RM1.6 million in the preceding year, which was largely attributed to a gain in fair value of properties of approximately RM11.1 million.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of our Shares as traded on Bursa Securities for the past twelve (12) months are as follows:

	High (RM)	Low (RM)
2013		
November	0.380	0.300
December	0.370	0.285
2014		
January	0.385	0.250
February	0.490	0.325
March	0.440	0.330
April	0.440	0.380
May	0.405	0.340
June	0.405	0.350
July	0.380	0.335
August	0.395	0.350
September	0.470	0.365
October	0.550	0.415

The last transacted price of our Shares on 2 December 2013, before the date of the announcement of the Rights Issue with Warrants was RM0.330 per share.

The last transacted price of our Shares on 27 November 2014, being the day prior to the ex-date of the Rights Issue with Warrants was RM0.635 per Share.

The last transacted price of our Shares as at the LPD was RM0.57 per Share.

(Source: Bursa Securities)

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



Tam & Associates
Chartered Accountants (AF 1356)
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Warisan Cityview
Off Batu 2 1/2, Jalan Cheras
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member of Bridge Advisory Group

REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

Date: 25 November 2014

The Board of Directors
JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
Suite 9-13A
Level 9, Wisma UOA II
Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**JIANKUN INTERNATIONAL BERHAD (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

We have reviewed the presentation of the Pro Forma Consolidated Statements of Financial Position of Jiankun International Berhad (formerly known as Nagamas International Berhad) ("Jiankun" or "the Company") and its subsidiary companies ("Jiankun Group") as at 31 December 2013 together with the accompanying notes for which the Directors are solely responsible, as set out in the accompanying statement for the purpose of inclusion in the Company's Abridged Prospectus and which we have stamped for the purpose of identification, in connection with the following proposals:-

(I) Par Value Reduction

Par value reduction of Jiankun's existing issued and paid-up share capital from RM50,895,000 comprising 50,895,000 ordinary shares of RM1.00 each to RM12,723,750 comprising 50,895,000 ordinary shares of RM0.25 each in Jiankun ("Jiankun Shares" or "Shares") via the cancellation of RM0.75 from par value of each existing ordinary share of RM1.00 each in Jiankun pursuant to Section 64 of the Companies Act, 1965 ("Subsequent Events" or "Par Value Reduction").

The Par Value Reduction was effected on 8 August 2014; and

(II) Rights Issue with Warrants

Renounceable rights issue of up to 101,790,000 new ordinary shares of RM0.25 each in Jiankun after the Par Value Reduction ("Rights Shares") together with up to 76,342,500 new free detachable warrants ("Warrants") on the basis of two (2) Rights Shares for every one (1) Jiankun Share held, together with three (3) Warrants for every four (4) Rights Shares subscribed.

Directors' Responsibility

It is the sole responsibility of the Directors of the Company to prepare the Pro Forma Consolidated Statements of Financial Position on the basis set out in the notes thereon in accordance with the requirements of the Prospectus Guidelines - Abridged Prospectus.

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REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONT'D)

Our Responsibilities

It is our responsibility to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in Note 1 of the Pro Forma Consolidated Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in Note 1 of the Pro Forma Consolidated Statements of Financial Position.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:-

- (a) The related pro forma adjustments give appropriate effect to those criteria; and
- (b) The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company and its subsidiary companies, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONT'D)

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position together with the notes thereon (which are provided solely for illustrative purposes only):-

- (a) have been properly compiled on a basis of preparation as stated in the notes thereto; such basis is consistent with the accounting policies normally adopted by Jiankun Group;
- (b) the adjustments are appropriate for the purposes of the Pro Forma Consolidated Statements of Financial Position; and
- (c) the audited financial statements used in the preparation of the Pro Forma Consolidated Statements of Financial Position were prepared in accordance with accounting principles and bases which are consistent with those normally adopted by Jiankun Group.

Other matter

Our letter on the Pro Forma Consolidated Statements of Financial Position of Jiankun Group as at 31 December 2013 is prepared solely for inclusion into the Abridged Prospectus in connection with the Rights Issue with Warrants after taking into account the Par Value Reduction. This letter is not to be reproduced, referred to in any other document, or used or relied upon for any other purpose without our prior written consent.

Your faithfully,

A handwritten signature in black ink, appearing to read "Tam & Associates".

TAM & ASSOCIATES
NO. AF-1356
CHARTERED ACCOUNTANTS



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

The Pro Forma Consolidated Statements of Financial Position set out below are provided for illustrative purposes based on the audited consolidated statements of financial position of Jiankun Group as at 31 December 2013, and should be read in conjunction with the notes accompanying the pro forma statements of financial position of the Group.

(a) MINIMUM SCENARIO

	Notes	Audited as at 31.12.2013 RM	Pro forma I After Subsequent Events RM	Pro forma II After the Rights Issue with Warrants RM	Pro forma III After the full exercise of Warrants RM
Non-current asset					
Property, plant and equipment		444,966	444,966	444,966	444,966
Investment properties		20,812,663	20,812,663	20,812,663	20,812,663
		<u>21,257,629</u>	<u>21,257,629</u>	<u>21,257,629</u>	<u>21,257,629</u>
Current assets					
Property development costs		4,305,953	4,305,953	4,305,953	4,305,953
Accrued billings		45,677	45,677	45,677	45,677
Trade receivables		2,364,103	2,364,103	2,364,103	2,364,103
Non-trade receivables		4,611,731	4,611,731	4,611,731	4,611,731
Fixed deposit with a licensed bank		20,000	20,000	20,000	20,000
Cash and bank balances	5	233,536	233,536	8,233,536	16,393,536
		<u>11,581,000</u>	<u>11,581,000</u>	<u>19,581,000</u>	<u>27,741,000</u>
Total assets		<u>32,838,629</u>	<u>32,838,629</u>	<u>40,838,629</u>	<u>48,998,629</u>
Equity					
Share capital	6	50,895,000	12,723,750	21,223,750	27,598,750
Accumulated losses	7	(30,508,607)	-	-	-
Capital reserves	8	-	7,162,643	7,162,643	7,162,643
Foreign currency translation		157,210	157,210	157,210	157,210
Share premium	9	-	-	-	1,785,000
Warrant reserves		-	-	4,590,000	-
Discount on shares		-	-	(4,590,000)	-
Total equity		<u>20,543,603</u>	<u>20,043,603</u>	<u>28,543,603</u>	<u>36,703,603</u>

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JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONT'D)

(a) MINIMUM SCENARIO (CONT'D)

	Notes	Audited as at 31.12.2013 RM	Pro forma I After Subsequent Events RM	Pro forma II After the Rights Issue with Warrants RM	Pro forma III After the full exercise of Warrants RM
Non-current liability					
Hire purchase payable		180,308	180,308	180,308	180,308
Deferred tax liability		4,385,726	4,385,726	4,385,726	4,385,726
		<u>4,566,034</u>	<u>4,566,034</u>	<u>4,566,034</u>	<u>4,566,034</u>
Current liabilities					
Progress billings		179,337	179,337	179,337	179,337
Trade payables		807,441	807,441	807,441	807,441
Non-trade payables	10	3,255,915	3,755,915	3,255,915	3,255,915
Amount due to directors		2,578,072	2,578,072	2,578,072	2,578,072
Hire purchase payable		59,339	59,339	59,339	59,339
Bank borrowing - secured		848,888	848,888	848,888	848,888
		<u>7,728,992</u>	<u>8,228,992</u>	<u>7,728,992</u>	<u>7,728,992</u>
Total liabilities		<u>12,295,026</u>	<u>12,795,026</u>	<u>12,295,026</u>	<u>12,295,026</u>
Total equity and liabilities		<u>32,838,629</u>	<u>32,838,629</u>	<u>40,838,629</u>	<u>48,998,629</u>
No of shares		50,895,000	50,895,000	84,895,000	110,395,000
Par value		1.00	0.25	0.25	0.25
NA per share		0.40	0.39	0.34	0.33
Bank borrowings		1,088,535	1,088,535	1,088,535	1,088,535
Gearing (times)		0.05	0.05	0.04	0.03

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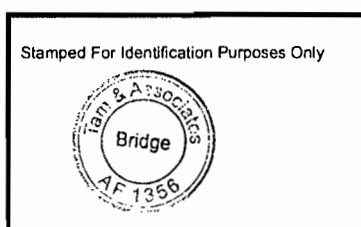


JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
DECEMBER 2013 (CONT'D)**

(b) MAXIMUM SCENARIO

	Notes	Audited as at 31.12.2013 RM	Pro forma I After Subsequent Events RM	Pro forma II After the Rights Issue With Warrants RM	Pro forma III After the full exercise of Warrants RM
Non-current asset					
Property, plant and equipment		444,966	444,966	444,966	444,966
Investment properties		20,812,663	20,812,663	20,812,663	20,812,663
		<u>21,257,629</u>	<u>21,257,629</u>	<u>21,257,629</u>	<u>21,257,629</u>
Current assets					
Property development costs		4,305,953	4,305,953	4,305,953	4,305,953
Accrued billings		45,677	45,677	45,677	45,677
Trade receivables		2,364,103	2,364,103	2,364,103	2,364,103
Non-trade receivables		4,611,731	4,611,731	4,611,731	4,611,731
Fixed deposit with a licensed bank		20,000	20,000	20,000	20,000
Cash and bank balances	5	233,536	233,536	25,181,036	49,610,636
		<u>11,581,000</u>	<u>11,581,000</u>	<u>36,528,500</u>	<u>60,958,100</u>
Total assets		<u><u>32,838,629</u></u>	<u><u>32,838,629</u></u>	<u><u>57,786,129</u></u>	<u><u>82,215,729</u></u>
Equity					
Share capital	6	50,895,000	12,723,750	38,171,250	57,256,875
Accumulated losses	7	(30,508,607)	-	-	-
Capital reserves	8	-	7,162,643	7,162,643	7,162,643
Share premium	9	-	-	-	5,343,975
Foreign currency translation		157,210	157,210	157,210	157,210
Warrant reserves		-	-	13,741,650	-
Discount on shares		-	-	(13,741,650)	-
Total equity		<u>20,543,603</u>	<u>20,043,603</u>	<u>45,491,103</u>	<u>69,920,703</u>



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
DECEMBER 2013 (CONT'D)**

(b) MAXIMUM SCENARIO (CONT'D)

	Notes	Audited as at 31.12.2013 RM	Pro forma I After Subsequent Events RM	Pro forma II After the Rights Issue With Warrants RM	Pro forma III After the full exercise of Warrants RM
Non-current liability					
Hire purchase payable		180,308	180,308	180,308	180,308
Deferred tax liability		4,385,726	4,385,726	4,385,726	4,385,726
		<u>4,566,034</u>	<u>4,566,034</u>	<u>4,566,034</u>	<u>4,566,034</u>
Current liabilities					
Progress billings		179,337	179,337	179,337	179,337
Trade payables		807,441	807,441	807,441	807,441
Non-trade payables	10	3,255,915	3,755,915	3,255,915	3,255,915
Amount due to directors		2,578,072	2,578,072	2,578,072	2,578,072
Hire purchase payable		59,339	59,339	59,339	59,339
Bank borrowing - secured		848,888	848,888	848,888	848,888
		<u>7,728,992</u>	<u>8,228,992</u>	<u>7,728,992</u>	<u>7,728,992</u>
Total liabilities		<u>12,295,026</u>	<u>12,795,026</u>	<u>12,295,026</u>	<u>12,295,026</u>
Total equity and liabilities		<u>32,838,629</u>	<u>32,838,629</u>	<u>57,786,129</u>	<u>82,215,729</u>
No of shares		50,895,000	50,895,000	152,685,000	229,027,500
Par value		1.00	0.25	0.25	0.25
NA per share		0.40	0.39	0.30	0.31
Bank borrowings		1,088,535	1,088,535	1,088,535	1,088,535
Gearing (times)		0.05	0.05	0.02	0.02

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JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the audited consolidated financial statements of Jiankun International Berhad (formerly known as Nagamas International Berhad) ("Jiankun" or "the Company") and its subsidiary companies ("Jiankun Group") as at 31 December 2013. The Pro Forma Consolidated Statements of Financial Position of Jiankun Group have been prepared solely for illustrative purposes, to show the effect of the following:-

(I) Subsequent events

The consolidated statement of financial position of the Jiankun Group as at 31 December 2013 have been adjusted to incorporate the effects of par value reduction that has had a financial impact to the consolidated statements of financial position of the Jiankun Group after 31 December 2013 as follows:

The par value reduction of Jiankun's existing issued and paid-up share capital from RM50,895,000 comprising 50,895,000 ordinary shares of RM1.00 each to RM12,723,750 comprising 50,895,000 ordinary shares of RM0.25 each in Jiankun ("Jiankun Shares" or "Shares") via the cancellation of RM0.75 from par value of each existing ordinary share of RM1.00 each in Jiankun pursuant to Section 64 of the Companies Act, 1965.

The Par Value Reduction was effected on 8 August 2014; and

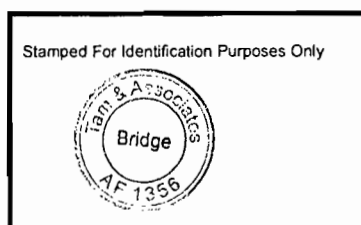
(II) Rights Issue with Warrants

Renounceable rights issue of up to 101,790,000 new ordinary shares of RM0.25 each in Jiankun after the Par Value Reduction ("Rights Shares") together with up to 76,342,500 new free detachable warrants ("Warrants") on the basis of two (2) Rights Shares for every one (1) Jiankun Share held, together with three (3) Warrants for every four (4) Rights Shares subscribed.

The Pro Forma Consolidated Statements of Financial Position have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of the audited consolidated financial statements to illustrate the Pro Forma Consolidated Statements of Financial Position of the Jiankun Group assuming that all transactions have taken place on 31 December 2013.

Minimum Scenario assumes that none of the entitled shareholders subscribe for their entitlements and Jiankun MB International Holding Sdn. Bhd. (formerly known as MB Longji Sdn. Bhd.) ("JKMBI") and Dato' Lim Siang Chai ("DLSC") subscribe for their entitlements and DLSC subscribes for additional Rights Shares with Warrants via excess application; and / or JKMBI and DLSC procure the subscription for such number of Rights Shares with Warrants for a minimum subscription level of 34,000,000 Rights Shares at an issue price of RM0.25 per Rights Share together with 25,500,000 Warrants at an exercise price of RM0.32 per Warrant pursuant to their undertakings.

Maximum Scenario assumes that all entitled shareholders subscribe in full for their entitlements pursuant to the Rights Issue with Warrants.



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONT'D)**

2. Subsequent Events

Subsequent Events incorporates the effects of the following:

- (a) Estimated corporate exercise expenses is RM500,000.
- (b) Incorporates the reduction of the Company's existing issued and paid-up share capital comprising ordinary shares of RM1.00 each into ordinary shares of RM0.25 each via the cancellation of RM0.75 from the par value of each existing ordinary share which will give rise to a credit of RM38,171,250 to be utilised to set-off against the accumulated losses of the Company.

The Par Value Reduction was effected on 8 August 2014.

The remaining credit after the set-off of the accumulated losses of the Company is retained as capital reserve of the Company.

3. PRO FORMA II: AFTER PRO FORMA I AND THE RIGHTS ISSUE WITH WARRANTS

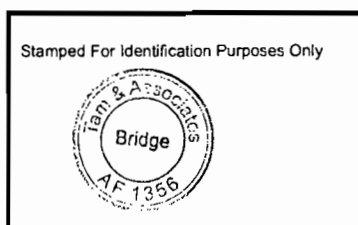
Pro forma II incorporates the effects in Pro Forma I and the following:-

(a) Minimum Scenario

Subscription of 34,000,000 Rights Shares with 25,500,000 Warrants assuming only JKMBI and DLSC subscribe for their entitlements and DLSC subscribes for additional Right Shares with Warrants via excess application; and / or JKMBI and DLSC procure the subscription for such number of Right Shares with Warrants, amounting to an aggregate of RM8,500,000 pursuant to their undertakings.

(b) Maximum Scenario

Subscription of 101,790,000 Rights Shares with 76,342,500 Warrants assuming Entitled Shareholders subscribe in full for their entitlements under the Rights Issue with Warrants.



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONT'D)**

**3. PRO FORMA II: AFTER PRO FORMA I AND THE RIGHTS ISSUE WITH WARRANTS
(CONT'D)**

Pro forma II incorporates the effects in Pro forma I and the following: (Cont'd)

(c) Proposed Utilisation

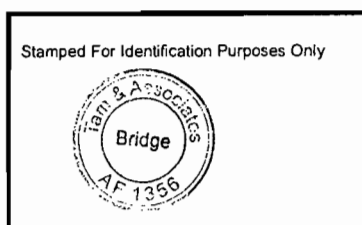
The proceeds from the Rights Issue with Warrants are expected to be fully utilised for the core business of Jiankun Group in the following manner:-

Purpose	Minimum scenario RM	Maximum scenario RM	Timeframe for utilisation
@ Property development costs	3,000,000	3,700,000	Within 12 months from the listing of the Rights Shares
* Working capital for our Group	2,000,000	2,500,000	Within 12 months from the listing of the Rights Shares
^^ To fund future projects	3,000,000	18,747,500	Within 36 months from the listing of the Rights Shares
# To defray expenses relating to the Right Issue with Warrants	500,000	500,000	Within 3 months from the listing of the Rights Shares
	<u>8,500,000</u>	<u>25,447,500</u>	

@ The Company had in mid-2011 launched a three (3) phased, mixed development project in Mantin, Negeri Sembilan ("Mantin Project") over 3.46 acres of land. The Mantin Project is to be funded by proceeds from the Rights Issue with Warrants, shareholders' advances, bank borrowings and sales of the development units.

Property development costs for the Mantin Project comprises the following:

Description	Minimum Scenario RM	Maximum Scenario RM
Construction costs	2,600,000	3,100,000
Infrastructure	300,000	500,000
Authority – land and development matters	100,000	100,000
	<u>3,000,000</u>	<u>3,700,000</u>



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONT'D)**

**3. PRO FORMA II: AFTER PRO FORMA I AND THE RIGHTS ISSUE WITH WARRANTS
(CONT'D)**

Pro forma II incorporates the effects in Pro forma I and the following: (Cont'd)

(c) Proposed Utilisation (Cont'd)

- * *The proceeds of up to RM2.5 million shall be utilised for the Group's working capital requirements, consisting administrative expenses such as office rental, overheads and staff cost.*
- ^^ *The proceeds are utilised for the acquisition or joint ventures of future projects relating to property development.*
- # *The estimated expenses comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges which are estimated at RM500,000 for the corporate proposals undertaken by the Jiankun Group.*

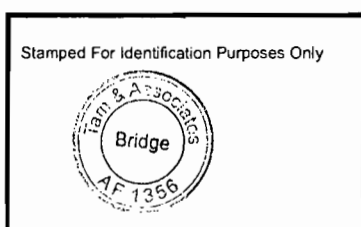
(d) Warrant reserves / Discount on shares

The fair value of the Warrants is estimated using the Black Scholes Model derived from Bloomberg based on the following key assumptions:

- (a) Exercise Price RM0.32 per Warrant
- (b) Expected dividend yield Nil
- (c) Tenure of Warrants 7 years
- (d) Expected share price volatility 43.79% (Jiankun determined the expected share price volatility based on 520 days volatility of the historical stock price of Jiankun)

Based on the assumptions and basis described above and applying all the inputs into the Black Scholes Model, the fair value of the Warrants is assumed to approximate RM0.18 per Warrant for the purpose of the Pro Forma Consolidated Statements of Financial Position as at 31 December 2013.

	Minimum Scenario RM	Maximum Scenario RM
Warrant reserves	4,590,000	13,741,650
Discount on shares	(4,590,000)	(13,741,650)
	-	-



JIANKUN INTERNATIONAL BERHAD (111365-U)
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2013 (CONT'D)**

4. PRO FORMA III: AFTER PRO FORMA II AND THE FULL EXERCISE OF WARRANTS

Pro forma III incorporates the effects in Pro forma II and the following:

(a) Minimum Senario

The gross proceeds from the exercise of 25,500,000 Warrants at an exercise price of RM0.32 per Warrant amounting to RM8,160,000.

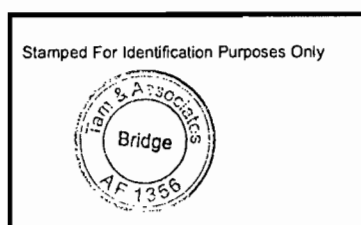
(b) Maximum Senario

The gross proceeds from the full exercise of 76,342,500 Warrants at an exercise price of RM0.32 per Warrant amounting to RM24,429,600.

5. CASH AND BANK BALANCES

The movement of the cash and bank balances account is as follows:-

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2013 / As per Pro forma I	233,536	233,536
Net proceeds from Rights Shares	8,500,000	25,447,500
Estimated corporate exercise expenses	<u>(500,000)</u>	<u>(500,000)</u>
As per Pro forma II	8,233,536	25,181,036
Proceeds from exercise of the Warrants	<u>8,160,000</u>	<u>24,429,600</u>
As per Pro forma III	<u><u>16,393,536</u></u>	<u><u>49,610,636</u></u>



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONT'D)**

6. SHARE CAPITAL

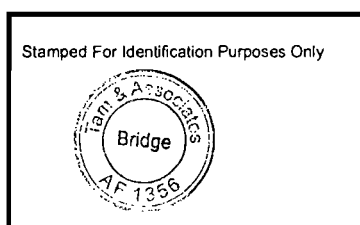
The movement of the share capital account is as follows:-

	Minimum Scenario RM	Maximum Scenario RM
As at 31 December 2013	50,895,000	50,895,000
Par Value Reduction	<u>(38,171,250)</u>	<u>(38,171,250)</u>
As per Pro forma I	12,723,750	12,723,750
Rights Issue with Warrants	<u>8,500,000</u>	<u>25,447,500</u>
As per Pro forma II	21,223,750	38,171,250
Full exercise of the Warrants	<u>6,375,000</u>	<u>19,085,625</u>
As per Pro forma III	<u><u>27,598,750</u></u>	<u><u>57,256,875</u></u>

7. ACCUMULATED LOSSES

The movement of the accumulated losses account is as follows:-

	RM
As at 31 December 2013	(30,508,607)
Estimated corporate exercise expenses	(500,000)
Par Value Reduction	<u>31,008,607</u>
As per Pro forma I to III	<u><u>-</u></u>



JIANKUN INTERNATIONAL BERHAD (111365-U)
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONT'D)**

8. CAPITAL RESERVES

Remaining credit after the set-off of the accumulated losses of Jiankun Group in the following manner:

	RM
Accumulated losses	(30,508,607)
Estimated corporate exercise expenses	(500,000)
Credit arising from the Par Value Reduction	<u>38,171,250</u>
Resultant capital reserve	<u><u>7,162,643</u></u>

9. SHARE PREMIUM

	Minimum Scenario RM	Maximum Scenario RM
Premium of RM0.07 per share		
As per Pro forma III	<u>1,785,000</u>	<u>5,343,975</u>

Minimum scenario: From the issuance of 25,500,000 Jiankun Shares arising from the exercise of 25,500,000 Warrant at an exercise price of RM0.32 per Warrant.

Maximum scenario: From the issuance of 76,342,500 Jiankun Shares arising from the exercise of 76,342,500 Warrant at an exercise price of RM0.32 per Warrant.

10. NON-TRADE PAYABLES

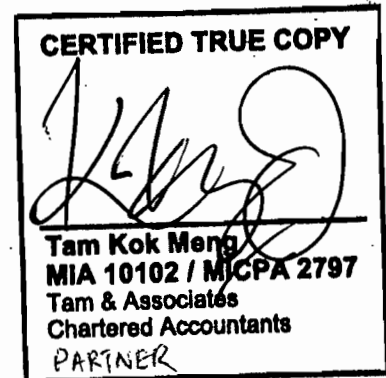
	RM
As at 31 December 2013	3,255,915
Estimated corporate exercise expenses	<u>500,000</u>
As per Pro forma I	3,755,915
Repayment of corporate exercise expenses	<u>(500,000)</u>
As per Pro forma II to III	<u><u>3,255,915</u></u>

Stamped For Identification Purposes Only



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2013**

Audit



JIANKUN INTERNATIONAL BERHAD

(FORMERLY KNOWN AS
NAGAMAS INTERNATIONAL BERHAD)

(111365-U)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
31 DECEMBER 2013

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

CONTENTS

	PAGE
CORPORATE INFORMATION	1
DIRECTORS' REPORT	2 – 5
STATEMENT BY DIRECTORS	6
STATUTORY DECLARATION	6
INDEPENDENT AUDITORS' REPORT	7 – 8
STATEMENTS OF FINANCIAL POSITION	9 – 10
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CHANGES IN EQUITY	13
STATEMENTS OF CASH FLOWS	14 - 15
NOTES TO THE FINANCIAL STATEMENTS	16 – 71
SUPPLEMENTARY INFORMATION	72

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Dato' Ir Lim Siang Chai Dato' Ng Kek Kiong Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman Dato' Chen Oyan Yun Shai Lee Yun Choong Fathi Ridzuan Bin Ahmad Fauzi
COMPANY SECRETARY	:	Tua Yan Khim (MAICSA 7046902)
AUDITORS	:	Tam & Associates (AF-1356)
PRINCIPAL PLACE OF BUSINESS	:	2nd Floor, Wisma Malaysia-Beijing, 33, Jalan Maharajalela, 50150 Kuala Lumpur.
REGISTERED OFFICE ADDRESS	:	Suite 9-13A, Level 9, Wisma UOA II, Jalan Pinang, 50450 Kuala Lumpur.
NUMBER OF EMPLOYEES AT END OF THE FINANCIAL YEAR	:	9

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

CHANGE OF NAME

On 31 March 2014, the Company had changed its name from NAGAMAS INTERNATIONAL BERHAD to JIANKUN INTERNATIONAL BERHAD.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and providing management services to its subsidiary companies.

The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit / (Loss) for the financial year	4,640,960	(3,554,156)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the financial year ended 31 December 2013.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances which require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
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DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The directors who have held office since the date of last report are:-

Dato' Ir Lim Siang Chai	(Appointed on 01.07.2013)
Dato' Ng Kek Kiong	
Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman	
Dato' Chen Oyan Yun Shai	
Lee Yun Choong	
Fathi Ridzuan Bin Ahmad Fauzi	
Shaik Rizal Bin Shaik Sulaiman	(Resigned on 02.10.2013)

Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman retires pursuant to Section 129(6) of the Companies Act, 1965, and seeks re-election and re-appointment as director to hold office until the next Annual General Meeting of the Company.

Dato' Ir Lim Siang Chai retires pursuant to Article 95 of the Company's Articles of Association and seeks re-election and re-appointment as director to hold office until the next Annual General Meeting of the Company.

Lee Yun Choong retires pursuant to Article 88 of the Company's Articles of Association and seeks re-election and re-appointment as director to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

ISSUE OF SHARES

There were no changes in the authorised and issued and paid-up share capital of the Company.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
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DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTEREST IN SHARES

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	<u>Number of ordinary shares of RM1 each</u>			<u>Balance at 31.12.2013</u>
	<u>Balance at 01.01.2013</u>	<u>Bought</u>	<u>Sold</u>	
Direct interest:-				
Dato'lr Lim Siang Chai	500,000	-	-	500,000
Dato' Chen Oyan Yun Shai	900,000	-	-	900,000
Indirect interest:-				
Dato' Ng Kek Kiong	13,621,225	-	-	13,621,225
Dato' Chen Oyan Yun Shai	300,000	-	-	300,000

By virtue of his shareholdings in the Company, Dato' Ng Kek Kiong is deemed to have interest in shares in the Company and its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 6A of the Companies Act, 1965.

The other directors holding office at the end of the financial year has no interest in shares and option over shares of the Company or its related corporations during the financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year are disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Tam & Associates, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated **18 APR 2014**



Dato' Ir Lim Siang Chai
Director



Dato' Ng Kek Kiong
Director

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Ir Lim Siang Chai and Dato' Ng Kek Kiong, being two of the directors of JIANKUN INTERNATIONAL BERHAD (formerly known as NAGAMAS INTERNATIONAL BERHAD), do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2013 and of the financial performances and cash flows for the financial year then ended.

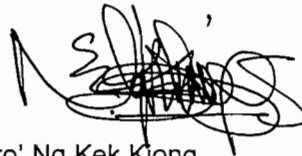
The supplementary information set out on page 72, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated **18 APR 2014**



Dato' Ir Lim Siang Chai
Director

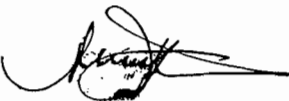
* Kuala Lumpur



Dato' Ng Kek Kiong
Director

DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Dato' Ir Lim Siang Chai, the director primarily responsible for the financial management of JIANKUN INTERNATIONAL BERHAD (formerly known as NAGAMAS INTERNATIONAL BERHAD), do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



Dato' Ir Lim Siang Chai

Subscribed and solemnly declared by the abovenamed Dato' Ir Lim Siang Chai at Kuala Lumpur in Wilayah Persekutuan on **18 APR 2014**, before me.

COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JIANKUN INTERNATIONAL BERHAD (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD) (111365-U)

Report on the Financial Statements

We have audited the financial statements of JIANKUN INTERNATIONAL BERHAD (formerly known as NAGAMAS INTERNATIONAL BERHAD), which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 71.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2013 and of their financial performances and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JIANKUN INTERNATIONAL BERHAD (FORMERLY
KNOWN AS NAGAMAS INTERNATIONAL BERHAD) (111365-U)**

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all subsidiary companies of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment under Section 174 (3) of the Act other than those disclosed in Note 7 to the financial statements.


Other Reporting Responsibilities

The supplementary information set out on page 72 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Loss in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance"), and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matter

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.


TAM & ASSOCIATES
No. AF-1356
Chartered Accountants


TAM KOK MENG
No. 1875/02-19 (J/PH)
Partner of the firm

Kuala Lumpur
Date: 18 APR 2014



JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Non-current assets					
Property, plant and equipment	4	444,966	8,784,979	71,406	75,999
Goodwill	5	-	-	-	-
Investment properties	6	20,812,663	-	-	-
Investments in subsidiary companies	7	-	-	13,742,157	12,563,000
		<u>21,257,629</u>	<u>8,784,979</u>	<u>13,813,563</u>	<u>12,638,999</u>
Current assets					
Amount due from customers on contract works	8	-	131,109	-	-
Property development costs	9	4,305,953	3,709,351	-	-
Accrued billings		45,677	1,110,784	-	-
Trade receivables	10	2,364,103	1,807,679	-	-
Non-trade receivables	11	4,611,731	5,085,055	8,816	230,894
Amount due from subsidiary companies	12	-	-	6,519,294	8,729,894
Fixed deposit with a licensed bank	13	20,000	-	-	-
Cash and bank balances	14	233,536	394,233	26,484	2,711
		<u>11,581,000</u>	<u>12,238,211</u>	<u>6,554,594</u>	<u>8,963,499</u>
Total assets		<u>32,838,629</u>	<u>21,023,190</u>	<u>20,368,157</u>	<u>21,602,498</u>
Equity					
Share capital	15	50,895,000	50,895,000	50,895,000	50,895,000
Reserves	16	(30,351,397)	(35,906,485)	(35,378,587)	(31,824,431)
Total equity attributable to the owners of the Company		<u>20,543,603</u>	<u>14,988,515</u>	<u>15,516,413</u>	<u>19,070,569</u>
Non-current liabilities					
Hire purchase payable	17	180,308	-	-	-
Bank borrowing - secured	18	-	2,183,450	-	-
Deferred tax liability	19	4,385,726	-	-	-
		<u>4,566,034</u>	<u>2,183,450</u>	<u>-</u>	<u>-</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONT'D)

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Current liabilities					
Progress billings		179,337	727,315	-	-
Trade payables	20	807,441	459,935	-	-
Non-trade payables	21	3,255,915	1,726,009	2,666,220	666,264
Amount due to subsidiary companies	12	-	-	230,840	927,699
Amount due to directors	22	2,578,072	937,966	1,954,684	937,966
Hire purchase payable	17	59,339	-	-	-
Bank borrowing - secured	18	848,888	-	-	-
		<u>7,728,992</u>	<u>3,851,225</u>	<u>4,851,744</u>	<u>2,531,929</u>
Total liabilities		<u>12,295,026</u>	<u>6,034,675</u>	<u>4,851,744</u>	<u>2,531,929</u>
Total equity and liabilities		<u>32,838,629</u>	<u>21,023,190</u>	<u>20,368,157</u>	<u>21,602,498</u>

The accompanying notes form an integral part of these financial statements.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Revenue	23	6,349,481	10,291,455	-	-
Cost of sales	24	(4,751,388)	(8,063,512)	-	-
Gross profit		1,598,093	2,227,943	-	-
Other income	25	11,125,280	9,896	1,602,000	2,549,527
Administrative expenses		(3,707,733)	(3,699,652)	(5,156,156)	(2,588,449)
Finance costs	26	(164,920)	(132,109)	-	-
Profit / (Loss) before tax	27	8,850,720	(1,593,922)	(3,554,156)	(38,922)
Tax	28	(4,209,760)	-	-	-
Profit / (Loss) after tax		4,640,960	(1,593,922)	(3,554,156)	(38,922)
Total other comprehensive income / (loss):-					
Foreign currency translation		914,128	(318,629)	-	-
Total comprehensive income / (loss) for the financial year		5,555,087	(1,912,551)	(3,554,156)	(38,922)
Profit / (Loss) after tax attributable to the owners of the Company		4,640,960	(1,593,922)	(3,554,156)	(38,922)
Total comprehensive income / (loss) for the financial year attributable to the owners of the Company		5,555,088	(1,912,551)	(3,554,156)	(38,922)
Earnings / (Loss) per share (Sen)	29				
Continuing operations:					
- Basic		9.12	(3.13)		
- Diluted		9.12	(3.13)		

The accompanying notes form an integral part of these financial statements.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	← <i>Non-distributable</i> →		<i>Distributable</i>	Total RM
	Share capital RM	Foreign exchange translation reserve RM	Accumulated losses RM	
Balance as at 1 January 2013	50,895,000	(756,918)	(35,149,567)	14,988,515
Profit after tax for the financial year	-	-	4,640,960	4,640,960
Other comprehensive income for the financial year:				
- Foreign currency translation differences	-	914,128	-	914,128
Balance as at 31 December 2013	<u>50,895,000</u>	<u>157,210</u>	<u>(30,508,607)</u>	<u>20,543,603</u>
Balance as at 1 January 2012	50,895,000	(438,289)	(33,555,645)	16,901,066
Loss after tax for the financial year	-	-	(1,593,922)	(1,593,922)
Other comprehensive loss for the financial year:				
- Foreign currency translation differences	-	(318,629)	-	(318,629)
Balance as at 31 December 2012	<u>50,895,000</u>	<u>(756,918)</u>	<u>(35,149,567)</u>	<u>14,988,515</u>

The accompanying notes form an integral part of these financial statements.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	<i>Non-distributable</i> Share capital RM	<i>Distributable</i> Accumulated losses RM	Total RM
Balance as at 1 January 2013	50,895,000	(31,824,431)	19,070,569
Loss after tax / Total comprehensive loss for the financial year	-	(3,554,156)	(3,554,156)
Balance as at 31 December 2013	<u>50,895,000</u>	<u>(35,378,587)</u>	<u>15,516,413</u>
Balance as at 1 January 2012	50,895,000	(31,785,509)	19,109,491
Loss after tax / Total comprehensive loss for the financial year	-	(38,922)	(38,922)
Balance as at 31 December 2012	<u>50,895,000</u>	<u>(31,824,431)</u>	<u>19,070,569</u>

The accompanying notes form an integral part of these financial statements.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Cash flows from operating activities					
Profit / (Loss) before tax		8,850,720	(1,593,922)	(3,554,156)	(38,922)
Adjustments for:-					
Allowance for impairment loss on amount due from subsidiary companies		-	-	839,931	-
Allowance for impairment loss on non-trade receivables		242,078	82,435	222,078	-
Bad debts written off		-	146,360	-	144,098
Deposit forfeited		(9,300)	-	-	-
Deposits written off		4,600	-	-	-
Depreciation		98,644	47,429	15,138	29,986
Impairment losses on investment in subsidiary companies		-	-	1,620,837	-
Interest expense		164,920	132,109	-	-
Interest income		(4,741)	(7,880)	-	-
Loss on disposal of property, plant and equipment		10,688	-	-	-
Property development costs written off		57,631	5,369	-	-
Property, plant and equipment written off		3,355	-	3,355	-
Unrealised gain on foreign exchange		-	-	-	(149,527)
Gain in fair value		(11,086,770)	-	-	-
Operating (loss) / profit before working capital changes		(1,668,175)	(1,188,100)	(852,817)	(14,365)
Increase in property development costs		(654,233)	(282,949)	-	-
Decrease / (Increase) in receivables		866,438	(1,043,533)	-	1,908,870
Increase in payables		1,338,734	1,752,184	1,999,956	952,619
Net changes in subsidiary companies balances		-	-	(1,600,000)	(2,250,473)
Cash (utilised in) / generated from operations		(117,236)	(762,398)	(452,861)	596,651
Interest received		4,741	7,880	-	-
Tax refunded		-	39,637	-	39,637
Net cash (utilised in) / generated from operating activities		(112,495)	(714,881)	(452,861)	636,288

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013 (CONT'D)**

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Cash flows from investing activities					
Investment in subsidiary companies		—	-	(2,799,994)	-
Proceeds from disposal of property, plant and equipment		8,244	-	-	-
Purchase of property, plant and equipment	30	(147,221)	(43,008)	(13,900)	(3,355)
Net cash utilised in investing activities		(138,977)	(43,008)	(2,813,894)	(3,355)
Cash flows from financing activities					
Interest paid		(164,920)	(132,109)	-	-
Net advances from directors		1,640,106	-	1,016,718	-
Net advances to subsidiary companies		-	-	2,273,810	(639,024)
Net (repayment) / drawdown of bank borrowing		(1,334,562)	1,183,450	-	-
Repayment of hire purchase payables		(30,353)	-	-	-
Net cash generated from / (utilised in) financing activities		110,271	1,051,341	3,290,528	(639,024)
Net (decrease) / increase in cash and cash equivalents		(141,201)	293,452	23,773	(6,091)
Effect on translation differences		504	(318,629)	-	-
Cash and cash equivalents at beginning of financial year		394,233	419,410	2,711	8,802
Cash and cash equivalents at end of financial year		253,536	394,233	26,484	2,711
Cash and cash equivalents comprise:-					
Fixed deposit with a licensed bank		20,000	-	-	-
Cash and bank balances		233,536	394,233	26,484	2,711
		253,536	394,233	26,484	2,711

The accompanying notes form an integral part of these financial statements.

JIANKUN INTERNATIONAL BERHAD
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
 (111365-U)
 (Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

1. GENERAL

JIANKUN INTERNATIONAL BERHAD (formerly known as NAGAMAS INTERNATIONAL BERHAD) is a public limited liability company, incorporated and domiciled in Malaysia. The Company is listed on the main market of Bursa Malaysia.

The Company are principally engaged in investment holding and providing management services to its subsidiary companies.

The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 April 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2013, the Group and the Company adopted the following new and amended FRS and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2013.

<u>Description</u>	<u>Effective for annual period beginning or after</u>
Amendments to FRS 101: Presentation of items of other comprehensive income	1 July 2012
FRS 3 Business combinations (IFRS 3 Business combinations issued by IASB in March 2004)	1 January 2013
FRS 127 Consolidated and separate financial Statements (IAS 27 revised by IASB in December 2003)	1 January 2013
FRS 10 Consolidated financial statements	1 January 2013
FRS 11 Joint arrangements	1 January 2013
FRS 12 Disclosure of interests in other entities	1 January 2013
FRS 13 Fair value measurement	1 January 2013

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (Cont'd)

<u>Description</u>	<u>Effective for annual period beginning or after</u>
FRS 119 Employee benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
FRS 127 Separate financial statements (IAS 127 as amended by IASB in May 2011)	1 January 2013
FRS 128 Investment in associate and joint ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
IC Interpretation 20 Stripping costs in the production phase of a surface mine)	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting financial assets and financial liabilities	1 January 2013
Annual improvements 2009 - 2011 cycle	1 January 2013
Amendments to FRS 1: Government loans	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12: Consolidated financial statements, joint arrangements and disclosure of interest in other entities: Transition guidance	1 January 2013

Adoption of the above standards and interpretations did not have any effect on the financial performances and positions of the Group and of the Company except for those discussed below:

FRS 13 Fair value measurement

FRS 13 established a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value but rather provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Amendments to FRS 101: Presentation of items of other comprehensive income

The amendments to FRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point of time have to be presented separately from items that will not be reclassified. The amendments have no significant impact to the Group's financial position or performance.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (Cont'd)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting 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 (Agriculture) 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 adoption of the MFRSs to annual periods beginning on or after 1 January 2015. The Group of which a subsidiary company falls within the definition of Transitioning Entities and has the option to prepare its first MFRSs financial statements for the financial year ended 31 December 2015.

In representing its first MFRSs financial statements, the Group will quantify the financial effects of the differences between current FRSs and MFRSs.

The majority of the adjustments required in transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 31 December 2015.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statement are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual period beginning or after</u>
Amendments to FRS 132: Offsetting financial assets and financial liabilities	1 January 2014
Amendments to FRS10, FRS 12 and FRS 127: Investment entities	1 January 2014
Amendments to FRS 136: Recoverable amount Disclosure for non-financial assets	1 January 2014
Amendments to FRS 139: Novation of derivatives and Continuation of hedge accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
FRS 9 Financial instruments (IFRS 9 issued by IASB In November 2009)	1 January 2015

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (Cont'd)

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statement are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual period beginning or after</u>
FRS 9 Financial instruments (IFRS 9 issued by IASB In November 2010)	1 January 2015
Amendments to FRS 119: Defined benefit plans: Employee contributions	1 July 2014
Annual improvements to FRS 2010-2012 cycle	1 July 2014
Annual improvements to FRS 2011-2013 cycle	1 July 2014
FRS 9 Financial instruments (IFRS 9 issued by IASB In November 2009)	To be announced
FRS 9 Financial instruments (IFRS 9 issued by IASB In October 2010)	To be announced
FRS 9 Financial instruments: Hedge accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

The directors expect that the adoption of the above standards and interpretation will have no material impact on the financial statements in the period of initial application except as discussed below:

FRS 9 Financial instruments

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.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation

The consolidated financial statements included the financial statements of the Company and its subsidiary companies made up to 31 December 2013.

Subsidiary companies are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiary companies are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiary companies to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive loss is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each financial reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary company, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary company; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary company and any non-controlling interests.

Amount previously recognised in other comprehensive income in relation to the former subsidiary company are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed off (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost of initial recognition of an investment in an associate or a joint venture.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (Cont'd)

All subsidiary companies are consolidated using the acquisition method. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the fair value of the purchase consideration over the Group's share of fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary company at the date of acquisition.

The deficit in the purchase consideration over the fair value of the net assets of the subsidiary company at the date of acquisition is credited to the profit or loss in the period in which it arises.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

2.5 Goodwill

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent financial period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiary company exceeds the cost of the business combination, the excess is recognised as income immediately in profit or loss.

2.6 Functional and foreign currencies

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

JIANKUN INTERNATIONAL BERHAD
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
 (111365-U)
 (Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Functional and foreign currencies (Cont'd)

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenue and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition which are treated as assets and liabilities of the Company and are not retranslated.

2.7 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss on the straight line basis calculated to write off the cost of each asset over its estimated useful life.

The principal annual depreciation rates are as follows:-

Furniture and office equipment	10%
Electrical installation	25%
Renovation	25%
Computer and software	20% to 33%
Motor vehicle	20%

Leasehold land and buildings was not depreciated.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the statements of profit or loss and other comprehensive income.

2.8 Financial instruments

Financial instruments are recognised in the statements of financial position when the Group and the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group and the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to / deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

2.8.1 Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

(c) Loans and receivables financial assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

2.8.1 Financial assets (Cont'd)

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss. Interest income calculated for a debt instrument using the effective interest method is recognised in profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

2.8.2 Financial liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

2.8.3 Equity instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

JIANKUN INTERNATIONAL BERHAD
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
 (111365-U)
 (Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

2.8.4 Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.9 Impairment of assets

2.9.1 Impairment of financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised in fair value reserve.

In addition, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return of a similar financial asset.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment of assets (Cont'd)

2.9.1 Impairment of financial assets (Cont'd)

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2.9.2 Impairment of non-financial assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Investments in subsidiary companies

Investments in subsidiary companies are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiary companies, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Initially investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the financial year in which they arise.

Investment properties are derecognised when they have either been disposed off or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If an investment property becomes owner-occupied property, such property shall be accounted for in accordance with the policy set out in Note 2.7 above.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalised as part of the cost of the assets when the Group and the Company incur the expenditure for the assets, incur borrowing costs and undertake activities that are necessary to prepare the assets for the intended use or sale.

Capitalisation of borrowing costs is suspended during extended periods in which active development is suspended and ceased when substantially all the activities necessary to prepare the qualifying assets for the intended use or sale are complete.

2.14 Employee benefits

2.14.1 Short term benefits

Wages, salaries, bonuses and social security contributions are measured on an undiscounted basis and are recognised as an expense in the period in which associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Employee benefits (Cont'd)

2.14.2. Defined contribution plans

As required by law, companies in Malaysia make contributions to the national defined contribution fund, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

2.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company, and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

2.15.1 Revenue from administrative, management and aviation services are recognised upon performance of services.

2.15.2 Revenue from sale of development properties is recognised on percentage of completion method, when the outcome of development projects can be reliably estimated.

2.16 Property development costs

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs under current assets. Property development costs comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities.

Where the outcome of a development can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion of costs incurred to date bear to the estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs.

Where the outcome of a development cannot be reasonably estimated, development revenue is recognised to the extent of development costs incurred that is probable will be recoverable.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the statement of profit or loss and other comprehensive income irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

The excess of revenue recognised in the statement of profit or loss and other comprehensive income over billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers over revenue recognised in the statement of profit or loss and other comprehensive income is recognised as progress billings under current liabilities.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the percentage of completion method. The stage of completion is measured by reference to the proportion of costs incurred to date bear to the estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs.

Where the outcome of a construction cannot be reasonably estimated, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total construction contract revenue, the expected loss is recognised as an expense immediately.

When the total of contract costs incurred on construction plus recognised profit (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contract works. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance classified as amount due to customers on contract works.

2.18 Income tax

The tax expense in the statement of profit or loss and other comprehensive income represents the aggregate amount of current tax and deferred tax included in the determination of net profit or loss for the financial year.

On statements of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences, unutilised tax losses and unutilised tax credits to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted by the end of the reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, whether in the same or different period, directly to equity.

2.19 Earnings per share and diluted earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

JIANKUN INTERNATIONAL BERHAD
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
 (111365-U)
 (Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Earnings per share and diluted earnings per share (Cont'd)

Diluted earnings per share amounts are calculated by dividing profit for the financial year from continuing operations, net of tax, attributable to owners of the parent (after adjusting for interest expense on convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.20 Assets under hire purchase

Assets financed by hire purchase which transfer substantially all the risks and rewards of ownership to the Group and the Company are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the statement of profit or loss and other comprehensive income over the period of the agreements to give a constant periodic rate of charge on the remaining hire purchase payable.

2.21 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Chairman of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.22 Related parties

A party is related to an entity (referred to as "reporting entity") if:-

- a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:-
 - i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group in which the other entity is a member).
 - iii) both entities are joint venture of the same third party.
 - iv) one entity of a joint venture of a third party entity and the other entity is an associate of the third party.

JIANKUN INTERNATIONAL BERHAD
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
 (111365-U)
 (Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Related parties (Cont'd)

- b) An entity is related to a reporting entity if any of the following conditions applies:- (Cont'd)
- v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi) the entity is controlled or jointly controlled by a person identified in (a) above.
 - vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close member of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2.24 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

3.1 Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3.2 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

3.3 Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

3.4 Impairment of receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

3.5 Classification between investment properties and owner-occupied properties

The Group and the Company determine whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company considers whether a property generates cash flows largely independent of the other assets held by the Group and the Company.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.5 Classification between investment properties and owner-occupied properties (Cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company accounts for the portion separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3.6 Revaluation of properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

3.7 Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

3.8 Fair value estimates for certain financial assets and liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and / or equity.

3.9 Construction contracts and property development costs

The Group recognises construction and property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs. Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

JJANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

2013 Group	Leasehold land and buildings RM	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Motor vehicle RM	Total RM
Cost							
As at 1 January 2013	8,636,303	162,579	11,720	44,915	93,228	-	8,948,745
Additions	-	3,900	-	-	-	413,321	417,221
Disposals	-	(10,943)	-	(18,710)	-	-	(29,653)
Written off	-	-	-	-	(3,355)	-	(3,355)
Transferred to investment properties	(8,636,303)	-	-	-	-	-	(8,636,303)
As at 31 December 2013	-	155,536	11,720	26,205	89,873	413,321	696,655
Accumulated depreciation							
As at 1 January 2013	-	62,191	4,136	13,891	83,548	-	163,766
Charges	-	15,895	2,360	8,528	2,974	68,887	98,644
Disposals	-	(3,316)	-	(7,405)	-	-	(10,721)
As at 31 December 2013	-	74,770	6,496	15,014	86,522	68,887	251,689
Net book value as at 31 December 2013	-	80,766	5,224	11,191	3,351	344,434	444,966

JIANKUN INTERNATIONAL BERHAD
 (FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
 (111365-U)
 (Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2012 Group	Leasehold land and buildings RM	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Total RM
Cost						
As at 1 January 2012	-	141,636	11,720	26,205	89,873	269,434
Additions	-	20,943	-	18,710	3,355	43,008
Reclassified from prepayment	8,636,303	-	-	-	-	8,636,303
As at 31 December 2012	8,636,303	162,579	11,720	44,915	93,228	8,948,745
Accumulated depreciation						
As at 1 January 2012	-	45,934	1,774	3,413	65,216	116,337
Charges	-	16,257	2,362	10,478	18,332	47,429
As at 31 December 2012	-	62,191	4,136	13,891	83,548	163,766
Net book value as at 31 December 2012	8,636,303	100,388	7,584	31,024	9,680	8,784,979

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Total RM
2013					
Cost					
As at 1 January 2013	116,666	3,800	5,010	90,545	216,021
Additions	13,900	-	-	-	13,900
Written off	-	-	-	(3,355)	(3,355)
As at 31 December 2013	130,566	3,800	5,010	87,190	226,566
Accumulated depreciation					
As at 1 January 2013	55,105	1,362	1,794	81,761	140,022
Charges	12,176	380	501	2,081	15,138
As at 31 December 2013	67,281	1,742	2,295	83,842	155,160
Net book value as at 31 December 2013	63,285	2,058	2,715	3,348	71,406
2012					
Cost					
As at 1 January 2012	116,666	3,800	5,010	87,190	212,666
Additions	-	-	-	3,355	3,355
As at 31 December 2012	116,666	3,800	5,010	90,545	216,021
Accumulated depreciation					
As at 1 January 2012	43,438	982	1,293	64,323	110,036
Charges	11,667	380	501	17,438	29,986
As at 31 December 2012	55,105	1,362	1,794	81,761	140,022
Net book value as at 31 December 2012	61,561	2,438	3,216	8,784	75,999

The motor vehicle of the Group at the end of the reporting period is acquired under hire purchase.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

5. GOODWILL

	Group	
	2013	2012
	RM	RM
As at 1 January	69,455	69,455
Less: Allowance for impairment losses	(69,455)	(69,455)
As at 31 December	-	-

The recoverable amount of the investment in subsidiary companies and goodwill are assessed by discounting the future cash flows projected based on actual operating results and management's assessment of future trends in respective industries of the subsidiary companies. Impairment loss was recognised in the prior financial year as the recoverable amount is lower than the carrying amount.

6. INVESTMENT PROPERTIES

The investment properties are situated in Huizhou, China under long leases.

	Group	
	2013	2012
	RM	RM
At fair value:-		
As at 1 January	-	-
Transferred from property, plant and equipment, at cost	8,636,303	-
	8,636,303	-
Gain in fair value (Note 25)	11,086,770	-
Translation difference	1,089,590	-
As at 31 December	20,812,663	-

The fair value of the Group's investment properties as at 31 December 2013 has been arrived at on the basis of a valuation carried out on 3 December 2013 by Huizhou Huiyang Golden Land Realty Valuation Office, an independent qualified professional valuer not connected to the Company, which has appropriate qualifications and recent experience in the valuation of similar properties in relevant location.

The fair value was arrived at by reference to direct comparison method as available in the market and where appropriate, on the basis of capitalisation of net income. In the valuation, the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other letting of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

Gain in fair value is recognised in profit or loss during the financial year.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2013 RM	2012 RM
Unquoted shares at cost in Malaysia	7,129,998	4,330,004
Unquoted shares at cost in Hong Kong	8,997,800	8,997,800
	16,127,798	13,327,804
Accumulated impairment losses:-		
As at 1 January	764,804	764,804
Recognised in profit or loss (Note 27)	1,620,837	-
As at 31 December	2,385,641	764,804
	13,742,157	12,563,000

The details of the subsidiary companies are as follows:-

<u>Name of Company</u>	<u>Country of incorporation</u>	<u>Effective equity interest</u>		<u>Principal activities</u>
		<u>2013 %</u>	<u>2012 %</u>	
Nagamas Land Development Sdn. Bhd.	Malaysia	100	100	Property development
Mas-Be Travel Services Sdn. Bhd.^	Malaysia	100	100	Provision in travel, cargo handling and aviation-related business services
Nagamas Aviation Services Sdn. Bhd.^	Malaysia	100	100	Provision of management services for air cargo transportation business and travel ticketing business
Nagamas Venture Sdn. Bhd.	Malaysia	100	100	Project management
Nagamas Bizworks Sdn. Bhd.^	Malaysia	100	100	Providing public relation consulting services and dealing with agents, corporate, local authorities and government, and other related public relation consulting works
Nagamas Enterprise (HK) Ltd*	Hong Kong	100	100	Agency for air cargo transportation
Nagamas International (HK) Ltd*	Hong Kong	100	100	Property development and investment

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

^ The audit reports of these subsidiary companies contain emphasis of matter relating to the appropriateness of going concern basis of accounting used in the preparation of their financial statements which presumes continued financial support to be given by the Company.

* These subsidiary companies are audited by a firm other than Tam & Associates.

8. AMOUNT DUE FROM CUSTOMERS ON CONTRACT WORKS

	Group	
	2013	2012
	RM	RM
Construction contracts works incurred to date	-	131,109
	<u> </u>	<u> </u>
Represented by:-		
Amount due from customers on contract works	-	131,109
	<u> </u>	<u> </u>

9. PROPERTY DEVELOPMENT COSTS

	Group	
	2013	2012
	RM	RM
As at 1 January		
- freehold land, at cost	4,073,000	4,073,000
- development costs	5,737,944	4,347,758
	<u>9,810,944</u>	<u>8,420,758</u>
Cost incurred during the financial year:		
- development costs	2,797,845	1,395,555
- written off during the financial year (Note 27)	(57,631)	(5,369)
- completed during the financial year	(5,384,049)	-
	<u>(2,643,835)</u>	<u>1,390,186</u>
As at 31 December	<u>7,167,109</u>	<u>9,810,944</u>
Comprising:		
- freehold land, at cost	4,073,000	4,073,000
- development costs	3,094,109	5,737,944
	<u>7,167,109</u>	<u>9,810,944</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

9. PROPERTY DEVELOPMENT COSTS (CONT'D)

	Group	
	2013	2012
	RM	RM
Cost recognised in the profit or loss:		
- prior financial year	(6,101,593)	(4,988,987)
- current financial year	(2,143,612)	(1,112,606)
- completed during the financial year	5,384,049	-
	(2,861,156)	(6,101,593)
	4,305,953	3,709,351

The freehold land under development is pledged as security for the bank borrowing referred to Note 18 to the financial statements.

10. TRADE RECEIVABLES

	Group	
	2013	2012
	RM	RM
Trade receivables	2,633,397	2,076,973
Less: Allowance for impairment losses	(269,294)	(269,294)
	2,364,103	1,807,679

The Group's normal credit terms range from 21 to 90 days (2012: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Allowance for impairment loss is considered on a debtor by debtor basis and in compliance with the Group's credit control and accounting policy. All debtors under financial difficulties are fully provided.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

11. NON-TRADE RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Deposits	4,698,511	5,053,461	208,816	208,816
Other non-trade receivables	1,219,459	1,095,755	22,078	22,078
	5,917,970	6,149,216	230,894	230,894
Allowance for impairment losses:-				
As at 1 January	1,064,161	981,726	-	-
Recognised in profit or loss (Note 27)	242,078	82,435	222,078	-
As at 31 December	1,306,239	1,064,161	222,078	-
	4,611,731	5,085,055	8,816	230,894

Included in deposits are RM23,250 (2012: RM23,250) and RM5,500 (2012: RM5,500) due from a corporation in which a director of the Company has substantial financial interest to the Group and the Company respectively.

Included in other non-trade receivables is RM110,649 (2012: RM356,268) due from a corporation in which a director of the Company has substantial financial interest to a subsidiary company.

These amounts are unsecured, interest-free and have no fixed terms of repayment.

12. AMOUNT DUE FROM / (TO) SUBSIDIARY COMPANIES

The following is the movement of the amount due from subsidiary companies:-

	Company	
	2013	2012
	RM	RM
Amount due from subsidiary companies	7,359,225	8,729,894
Less: Allowance for impairment losses (Note 27)	(839,931)	-
	6,519,294	8,729,894

The amount due from / (to) the subsidiary companies are unsecured, interest-free and have no fixed terms of repayment.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

13. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit with a licensed bank earns interest at rate of 3.15% per annum at the end of the reporting date with maturity period of 12 months and is pledged to the said licensed bank for bank guarantee facility granted to a subsidiary company.

14. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is RM201,409 (2012: RM387,190) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

15. SHARE CAPITAL

	2013	2012	2013	2012
	Number of ordinary share of RM1 each		RM	RM
Authorised:-				
As at 1 January / 31				
December	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid up:-				
As at 1 January / 31				
December	50,895,000	50,895,000	50,895,000	50,895,000

16. RESERVES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Foreign currency translation	(157,210)	756,918	-	-
Accumulated losses	30,508,607	35,149,567	35,378,587	31,824,431
	<u>30,351,397</u>	<u>35,906,485</u>	<u>35,378,587</u>	<u>31,824,431</u>

Foreign currency translation

The foreign currency translation arose from the translation of the financial statements of foreign subsidiary companies and is not distributable by way of dividends.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

17. HIRE PURCHASE PAYABLE

	Group	
	2013	2012
	RM	RM
Minimum hire purchase payments:		
- not later than one year	70,476	-
- later than one year and not later than five years	191,463	-
	261,939	-
Less: Future interest charges	(22,292)	-
Present value of hire purchase payable	239,647	-
Current portion:		
- not later than one year	59,339	-
Non-current portion:		
- later than one year and not later than five years	180,308	-
	239,647	-

18. BANK BORROWING - SECURED

The interest rate of the bank borrowing is base lending rate of the lending bank plus 1.75% (2012: 1.75%) per annum.

The bank borrowing is secured by:-

- i. Freehold land under property development (Note 9)
- ii. Corporate guarantee by the Company
- iii. Jointly and severally guaranteed by a director of the Company and a former director of a subsidiary company.

This bank borrowing is repayable within three years from the first drawdown on 23 August 2011 or via redemption of properties set at 35% of the sales value, whichever is earlier.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

19. DEFERRED TAX LIABILITY

	Group	
	2013	2012
	RM	RM
As at 1 January	-	-
Recognised in profit or loss (Note 28)	4,209,760	-
Translation difference	175,966	-
As at 31 December	4,385,726	-

The deferred tax liability is provided on temporary difference in respect of gain in fair value on investment properties.

20. TRADE PAYABLES

The normal trade credit term granted to the Group is range from 30 to 45 days (2012: 30 to 45 days).

21. NON-TRADE PAYABLES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Provision for late delivery damages	234,388	-	-	-
Accruals	165,843	731,369	33,390	157,209
Other non-trade payables	2,855,684	994,640	2,632,830	509,055
	3,255,915	1,726,009	2,666,220	666,264

Included in accruals in 2012 were RM146,231 and RM51,231 due to a corporation in which a director of the Company has substantial financial interest by the Group and the Company respectively.

Included in other non-trade payables in 2012 was RM30,000 due to a corporation in which a director of the Company has substantial financial interest by the Group and the Company.

Included in other non-trade payables is RM1,149,137 (2012: RM Nil) due to a shareholder of the Company by the Group and the Company.

Included in other non-trade payables is RM165,000 (2012: RM Nil) due to a director of the Company by a subsidiary company.

These amounts are unsecured, interest-free and have no fixed terms of repayment.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

22. AMOUNT DUE TO DIRECTORS

The amount due to directors is unsecured, interest-free and has no fixed term of interest.

23. REVENUE

	Group	
	2013	2012
	RM	RM
Services	2,553,540	6,906,881
Property and investment holdings	3,795,941	3,384,574
	6,349,481	10,291,455

24. COST OF SALES

	Group	
	2013	2012
	RM	RM
Services	2,540,836	6,789,954
Property and investment holdings	2,210,552	1,273,558
	4,751,388	8,063,512

25. OTHER INCOME

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Bank interest income	4,741	7,880	-	-
Deposit forfeited	9,300	-	-	-
Management fee	-	-	1,600,000	2,400,000
Over provision on rental of premises	18,000	-	-	-
Rental income	-	1,755	-	-
Gain in fair value (Note 6)	11,086,770	-	-	-
Unrealised gain on foreign exchange	-	-	-	149,527
Others	6,469	261	2,000	-
	11,125,280	9,896	1,602,000	2,549,527

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

26. FINANCE COSTS

	Group	
	2013	2012
	RM	RM
Bank borrowing interest	152,878	130,926
Hire purchase interest	9,703	-
Others	2,339	1,183
	164,920	132,109

27. PROFIT / (LOSS) BEFORE TAX

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
This is stated after charging / (crediting):-				
Allowance for impairment losses on amount due from subsidiary companies (Note 12)	-	-	839,931	-
Allowance for impairment losses on non-trade receivables (Note 11)	242,078	82,435	222,078	-
Auditors' remuneration for audit services:				
- current financial year	73,622	68,178	25,500	28,000
- (over) / under provision in the prior financial year	(2,468)	1,265	2,000	-
Auditors' remuneration for non-audit services	10,000	-	10,000	-
Bad debts written off	-	146,360	-	144,098
Deposit written off	4,600	-	-	-
Depreciation	98,644	47,429	15,138	29,986
Directors' fees:				
- current financial year	96,000	79,638	96,000	79,638
- over provision in the prior financial year	(113,004)	-	(113,004)	-

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

27. PROFIT / (LOSS) BEFORE TAX (CONT'D)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Directors' remuneration:				
- directors' emoluments other than fees	1,300,400	1,286,100	1,300,400	1,286,100
Impairment losses on investment in subsidiary companies (Note 7)	-	-	1,620,837	-
Loss on disposal of property, plant and equipment	10,688	-	-	-
Property development costs written off (Note 9)	57,631	5,369	-	-
Property, plant and equipment written off	3,355	-	3,355	-
Provision for late delivery damages	234,388	-	-	-
Rental of motor vehicles	66,000	132,000	-	-
Rental of premises	113,500	124,282	18,000	18,000
Staff costs	788,357	806,150	665,616	558,514

Included in the staff costs are contributions made by the Group and the Company to the Employees' Provident Fund amounting to RM83,180 and RM61,692 (2012: RM76,139 and RM51,744) respectively.

28. TAX

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Malaysian tax based on results for the financial year:				
- deferred tax (Note 19)	4,209,760	-	-	-

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

28. TAX (CONT'D)

A reconciliation of income tax expense applicable to profit / (loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit / (Loss) before tax	8,850,720	(1,593,922)	(3,554,156)	(38,922)
Tax at Malaysian statutory tax rate of 25%	2,212,680	(398,481)	(888,539)	(9,731)
Effect of different tax rate in other country	(2,320,184)	(25,886)	-	-
Effect of expenses not deductible for tax purposes	241,719	236,118	744,980	77,701
Effect of fair value adjustment on investment properties	6,645,369	-	-	-
Effect of income not subject to tax	(2,887,691)	(37,382)	-	(37,382)
Effect of deferred tax assets not recognised	324,148	258,971	143,074	-
Effect of utilisation of deferred tax assets not recognised in the prior financial year	(3,481)	(28,643)	-	(23,641)
Others	(2,800)	(4,697)	485	(6,947)
	<u>4,209,760</u>	<u>-</u>	<u>-</u>	<u>-</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

28. TAX (CONT'D)

The following deferred tax assets have not been recognised:-

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Unabsorbed capital allowance	9,140	593	3,080	-
Unutilised tax losses	1,094,093	710,871	219,503	79,509
	<u>1,103,233</u>	<u>711,464</u>	<u>222,583</u>	<u>79,509</u>

29. EARNINGS / (LOSS) PER SHARE

The calculation of basic earnings / (loss) per share, which is based on earnings / (loss) attributable to owners of the Company and weighted average number of ordinary shares outstanding during the financial year, is as follows:-

	Group	
	2013	2012
	RM	RM
Profit / (Loss) after tax	4,640,960	(1,593,922)
Weighted average number of ordinary shares issued	50,895,000	50,895,000
Earnings / (Loss) per share (Sen)	<u>9.12</u>	<u>(3.13)</u>

The diluted earnings / (loss) per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the financial reporting period.

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	417,221	43,008	13,900	3,355
Amount financed via hire purchase	(270,000)	-	-	-
	<u>147,221</u>	<u>43,008</u>	<u>13,900</u>	<u>3,355</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

31. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	Group / Company	
	2013	2012
	RM	RM
Executive directors:		
- Defined contribution plan	35,100	21,600
- Fees	-	2,000
- Salaries	1,256,800	1,256,000
	1,291,900	1,279,600
Non-executive directors:		
- Allowance	8,500	8,500
- Fees for current financial year	96,000	77,638
- Fees over provided in the prior financial year	(113,004)	-
	(8,504)	86,138
	1,283,396	1,365,738

The number of directors whose total remuneration during the financial year falls within the following bands is analysed below:-

	Group / Company	
	2013	2012
	RM	RM
Executive directors:-		
RM300,001 and above	2	2
RM300,000 and below	1	-
Non-executive directors:-		
RM100,000 and below	4	8
	7	10

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

32. SIGNIFICANT RELATED PARTY DISCLOSURES

Identities of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has related party relationships with its subsidiary companies.

Malaysia-Beijing Travel Services Sdn. Bhd. is a related party in which Dato' Ng Kek Kiong, a director of the Company, has substantial financial interest.

The following transactions were carried out by the Group and the Company with related parties:-

32.1 Trading transactions

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Malaysia-Beijing Travel Services Sdn. Bhd.				
- Sales of air tickets	-	1,274,313	-	-
- Purchase of air tickets	-	1,185,408	-	-
	<u>-</u>	<u>2,459,721</u>	<u>-</u>	<u>-</u>

32.2 Non-trade transactions

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Administrative fee:				
- Nagamas Venture Sdn. Bhd.	-	-	1,600,000	2,400,000
	<u>-</u>	<u>-</u>	<u>1,600,000</u>	<u>2,400,000</u>
Rental of premises:				
- Malaysia-Beijing Travel Services Sdn. Bhd.	75,000	114,009	18,000	18,000
	<u>75,000</u>	<u>114,009</u>	<u>18,000</u>	<u>18,000</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

The following balances (net of impairment losses) were outstanding at the end of the reporting period:-

32.3 Amount due from related parties

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
- Nagamas Land Development Sdn. Bhd.	-	-	721,278	-
- Nagamas Bizworks Sdn. Bhd.	-	-	-	58,626
- Mas-Be Travel Services Sdn. Bhd.	-	-	-	631,330
- Nagamas Aviation Services Sdn. Bhd.	-	-	-	748,266
- Nagamas Venture Sdn. Bhd.	-	-	5,798,016	7,012,943
- Nagamas Enterprise (HK) Ltd	-	-	-	278,729
- Malaysia-Beijing Travel Services Sdn. Bhd.	75,000	114,009	18,000	18,000
	<u>75,000</u>	<u>114,009</u>	<u>18,000</u>	<u>18,000</u>

32.4 Amount due to related parties

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
- Nagamas Land Development Sdn. Bhd.	-	-	-	581,338
- Nagamas International (HK) Ltd	-	-	230,840	346,361
	<u>-</u>	<u>-</u>	<u>230,840</u>	<u>346,361</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

32.5 Compensation of key management personnel

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short-term benefits	1,778,317	1,822,707	1,749,476	1,384,645

33. CONTINGENT LIABILITY

	Company	
	2013	2012
	RM	RM
Unsecured contingent liability:- Corporate guarantee given to a bank for a banking facility granted to a subsidiary company	848,888	2,183,450

34. CAPITAL COMMITMENT

	Group	
	2013	2012
	RM	RM
Approved and contracted for:- Motor vehicle	76,000	-

35. OPERATING SEGMENT

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on its products and services and has two reportable operating segment as follows:-

Business Segment

The Group's operations comprise the following main business segments:-

Services	Agency of air-cargo transportation and tour and travel agency
Property and investment holdings	Property development and provision of management, marketing and consultancy services

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

35. OPERATING SEGMENT (CONT'D)

Business Segment (Cont'd)

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 operating results of its business unit separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

2013	Services RM	Property and investment holdings RM	Group RM
Revenue			
Consolidated revenue	2,553,540	3,795,941	6,349,481
Results			
Results before the following adjustments	(4,201)	575,193	570,992
Interest income	-	4,741	4,741
Other material item of income:			
- Gain in fair value	-	11,086,770	11,086,770
Depreciation	-	(98,644)	(98,644)
Other material items of expenses:			
- Directors' remuneration	-	(1,283,396)	(1,283,396)
- Staff costs	-	(788,357)	(788,357)
Other material non-cash expenses:			
- Allowance for impairment loss on non-trade receivables	-	(242,078)	(242,078)
- Provision for late delivery damages	-	(234,388)	(234,388)
Segment results	(4,201)	9,019,841	9,015,640
Finance costs			(164,920)
Income tax expense			(4,209,760)
Consolidated profit after tax			4,640,960

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

35. OPERATING SEGMENT (CONT'D)

Business segment (Cont'd)

2013	Services RM	Property and investment holdings RM	Group RM
Assets			
Consolidated total assets	22,926	32,815,703	<u>32,838,629</u>
Liabilities			
Segment liabilities	26,381	7,882,919	7,909,300
Deferred tax			<u>4,385,726</u>
Consolidated total liabilities			<u>12,295,026</u>
Other segment items			
Additions to non-current assets other than financial instruments:			
- Property, plant and equipment	-	444,966	444,966
- Investment properties	-	20,812,663	20,812,663
	-	<u>21,257,629</u>	<u>21,257,629</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

35. OPERATING SEGMENT (CONT'D)

Business segment (Cont'd)

2012	Services RM	Property and investment holdings RM	Group RM
Revenue			
Consolidated revenue	6,906,881	3,384,574	<u>10,291,455</u>
Results			
Results before the following adjustments	(129,320)	961,379	832,059
Interest income	-	7,880	7,880
Depreciation	-	(47,429)	(47,429)
Other material items of expenses:			
- Directors' remuneration	-	(1,365,738)	(1,365,738)
- Staff costs	-	(806,150)	(806,150)
Other material non-cash expenses:			
- Allowance for impairment loss on non-trade receivables	-	(82,435)	(82,435)
Segment results	<u>(129,320)</u>	<u>(1,332,493)</u>	<u>(1,461,813)</u>
Finance costs			<u>(132,109)</u>
Consolidated loss after tax			<u><u>(1,593,922)</u></u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

35. OPERATING SEGMENT (CONT'D)

Business segment (Cont'd)

2012	Services RM	Property and investment holdings RM	Group RM
Assets			
Consolidated total assets	385,313	20,637,877	<u>21,023,190</u>
Liabilities			
Consolidated total liabilities	1,610,744	4,423,931	<u>6,034,675</u>
Other segment items			
Additions to non-current assets other than financial instruments:			
- Property, plant and equipment	-	8,784,979	<u>8,784,979</u>

Major customer

Revenue from 2 major customers, with revenue equal to or more than 10% of Group revenue amounts to RM3,653,540 (2012: RM7,832,568).

No operating by geographical segment is presented as the Group operates predominantly in Malaysia.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

36.1 Financial risk management policies

The Group's policies in respect of the major area of treasury activity are as follows:-

36.1.1 Market risk

i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are Renminbi and Hong Kong Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign currency exposure

Group 2013	Renminbi RM	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
<u>Financial assets</u>				
Trade receivables	22,767	-	2,341,336	2,364,103
Non-trade receivables	-	-	4,611,731	4,611,731
Fixed deposit with a licensed bank	-	-	20,000	20,000
Cash and bank balances	-	1,645	231,891	233,536
	22,767	1,645	7,204,958	7,229,370

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.1. Market risk (Cont'd)

i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

Group 2013	Renminbi RM	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
<u>Financial liabilities</u>				
Trade payables	-	-	807,441	807,441
Non-trade payables	-	29,199	3,226,716	3,255,915
Amount due to directors	-	-	2,578,072	2,578,072
Hire purchase payable	-	-	239,647	239,647
Bank borrowing - secured	-	-	848,888	848,888
	-	29,199	7,700,764	7,729,963
Net financial assets / (liabilities)	22,767	(27,554)	(495,806)	(500,593)
Less: Net financial liabilities denominated in the respective entities' functional currency	-	27,554	495,806	523,360
Currency exposure	22,767	-	-	22,767

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.1. Market risk (Cont'd)

i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

Group 2012	Renminbi RM	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
<u>Financial assets</u>				
Trade receivables	10,063	-	1,797,616	1,807,679
Non-trade receivables	-	2,432	5,082,623	5,085,055
Cash and bank balances	-	1,889	392,344	394,233
	10,063	4,321	7,272,583	7,286,967
<u>Financial liabilities</u>				
Trade payables	-	-	459,935	459,935
Non-trade payables	-	96,419	1,629,590	1,726,009
Amount due to directors	-	-	937,966	937,966
Bank borrowing - secured	-	-	2,183,450	2,183,450
	-	96,419	5,210,941	5,307,360
Net financial assets / (liabilities)	10,063	(92,098)	2,061,642	1,979,607
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currency	-	92,098	(2,061,642)	(1,969,544)
Currency exposure	10,063	-	-	10,063

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.1. Market risk (Cont'd)

i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

Company 2013	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
<u>Financial assets</u>			
Non-trade receivables	-	8,816	8,816
Amount due from subsidiary companies	-	6,519,294	6,519,294
Cash and bank balances	-	26,484	26,484
	-	6,554,594	6,554,594
<u>Financial liabilities</u>			
Non-trade payables	-	2,666,220	2,666,220
Amount due to subsidiary companies	230,840	-	230,840
Amount due to directors	-	1,954,684	1,954,684
	230,840	4,620,904	4,851,744
Net financial (liabilities) / assets	(230,840)	1,933,690	1,702,850
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currency	-	(1,933,690)	(1,933,690)
Currency exposure	(230,840)	-	(230,840)

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.1. Market risk (Cont'd)

i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

Company 2012	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM
<u>Financial assets</u>			
Non-trade receivables	-	230,894	230,894
Amount due from subsidiary companies	-	8,729,894	8,729,894
Cash and bank balances	-	2,711	2,711
	-	8,963,499	8,963,499
<u>Financial liabilities</u>			
Non-trade payables	-	666,264	666,264
Amount due to subsidiary companies	346,361	581,338	927,699
Amount due to directors	-	937,966	937,966
	346,361	2,185,568	2,531,929
Net financial (liabilities) / assets	(346,361)	6,777,931	6,431,570
Less: Net financial assets denominated in the respective entities' functional currency	-	(6,777,931)	(6,777,931)
Currency exposure	(346,361)	-	(346,361)

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.1. Market risk (Cont'd)

i) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity analysis

A 5% (2012: 5%) strengthening / weakening of the RM against the Hong Kong Dollar at the end of the reporting period would have immaterial impact on profit after tax. This assumes that all other variables remain constant.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 36.1.3 to the financial statements.

Interest rate risk sensitivity analysis

The analysis is not presented as the sensitivity impact is immaterial.

36.1.2 Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and non-trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of the trade and non-trade receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.2 Credit risk (Cont'd)

i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by a customer which constituted approximately 75% of its trade receivables at the end of the reporting period.

ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	Group	
	2013	2012
	RM	RM
China	22,767	10,063
Malaysia	2,341,336	1,797,616
	2,364,103	1,807,679

iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

Group	Gross amount	Individual impairment	Carrying value
2013	RM	RM	RM
Not past due	486,362	-	486,362
Past due:			
- 3 to 6 months	78,900	-	78,900
- over 6 months	2,068,135	(269,294)	1,798,841
	2,633,397	(269,294)	2,364,103

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.2 Credit risk (Cont'd)

iii) Ageing analysis

Group 2012	Gross amount RM	Individual impairment RM	Carrying value RM
Not past due	129,863	-	129,863
Past due:			
- less than 3 months	1,947,110	(269,294)	1,677,816
	<u>2,076,973</u>	<u>(269,294)</u>	<u>1,807,679</u>

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believe that no impairment allowance is necessary in respect of these trade receivables as the delay in receipt is due to end financing documentation which is in the process of resolution.

Trade receivables that are neither past due nor impaired

A portion of trade receivables that are neither past due not impaired is due to latest progress billing that was billed on 31 December 2013. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

36.1.3 Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)
36.1 Financial risk management policies (Cont'd)
36.1.3 Liquidity risk (Cont'd)

Group	Weighted average effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	RM	
				Within 1 year	1-5 years
2013					
Progress billings	-	179,337	179,337	179,337	-
Trade payables	-	807,441	807,441	807,441	-
Non-trade payables	-	3,255,915	3,255,915	3,255,915	-
Amount due to directors	-	2,578,072	2,578,072	2,578,072	-
Hire purchase payable	4.50	239,647	261,939	70,476	191,463
Bank borrowing - secured	8.35	848,888	896,143	896,143	-
		7,909,300	7,978,847	7,787,384	191,463
2012					
Progress billings	-	727,315	727,315	727,315	-
Trade payables	-	459,935	459,935	459,935	-
Non-trade payables	-	1,726,009	1,726,009	1,726,009	-
Amount due to directors	-	937,966	937,966	937,966	-
Bank borrowing - secured	8.35	2,183,450	2,487,313	-	2,487,313
		6,034,675	6,338,538	3,851,225	2,487,313

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial risk management policies (Cont'd)

36.1.3 Liquidity risk (Cont'd)

Company 2013	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
Non-trade payables	2,666,220	2,666,220	2,666,220
Amount due to subsidiary companies	230,840	230,840	230,840
Amount due to directors	1,954,684	1,954,684	1,954,684
	<u>4,851,744</u>	<u>4,851,744</u>	<u>4,851,744</u>
2012			
Non-trade payables	666,264	666,264	666,264
Amount due to subsidiary companies	927,699	927,699	927,699
Amount due to directors	937,966	937,966	937,966
	<u>2,531,929</u>	<u>2,531,929</u>	<u>2,531,929</u>

36.2 Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The Group had announced plans to reduce par value, and issue right shares with warrants as disclosed in Note 38 to the financial statements.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 Capital risk management (Cont'd)

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	Group	
	2013	2012
	RM	RM
Progress billings	179,337	727,315
Trade payables	807,441	459,935
Non-trade payables	3,255,915	1,726,009
Amount due to directors	2,578,072	937,966
Hire purchase payable	239,647	-
Bank borrowing - secured	848,888	2,183,450
	<u>7,909,300</u>	<u>6,034,675</u>
Less: Fixed deposit with a licensed bank	(20,000)	-
Less: Cash and bank balances	(233,536)	(394,233)
Net debt	<u>7,655,764</u>	<u>5,640,442</u>
Total equity	<u>20,543,603</u>	<u>14,988,515</u>
Debt-to-equity ratio	<u>0.37</u>	<u>0.38</u>

Under the requirement of Bursa Malaysia Practice Note No. 17/2007, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 Classification of financial instruments

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Financial assets				
<u>Loan and receivables</u>				
<u>financial assets</u>				
Trade receivables	2,364,103	1,807,679	-	-
Non-trade receivables	4,611,731	5,085,055	8,816	230,894
Amount due from subsidiary companies	-	-	6,519,294	8,729,894
Fixed deposit with a licensed bank	20,000	-	-	-
Cash and bank balances	233,536	394,233	26,484	2,711
	<u>7,229,370</u>	<u>7,286,967</u>	<u>6,554,594</u>	<u>8,963,499</u>
Financial liabilities				
<u>Other financial liabilities</u>				
Trade payables	807,441	459,935	-	-
Non-trade payables	3,255,915	1,726,009	2,666,220	666,264
Amount due to subsidiary companies	-	-	230,840	927,699
Amount due to directors	2,578,072	937,966	1,954,684	937,966
Hire purchase payable	239,647	-	-	-
Bank borrowing - secured	848,888	2,183,450	-	-
	<u>7,729,963</u>	<u>5,307,360</u>	<u>4,851,744</u>	<u>2,531,929</u>

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 Fair value measurements

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The fair value of the non-current portion of hire purchase payable equal its carrying amount as the impact of discounting is not material.

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 30 October 2013, one of the subsidiary company, Nagamas Venture Sdn. Bhd. had mutually terminated the Project Delivery Agreement entered into on 9 June 2012 with Silverland Sdn. Bhd. (formerly known as Xtreme New Sdn. Bhd.) in which the subsidiary company was appointed as Project Delivery Partner for a development project known as Silverlakes Development.

38. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

38.1 The Company had on 2 December 2013 announced that it proposed to undertake the following:-

- (i). Proposed par value reduction of the existing paid-up share capital from RM50,895,000 comprising 50,895,000 ordinary shares of RM1 each to RM12,723,750 comprising 50,895,000 ordinary shares of RM0.25 each.
- (ii). Proposed renounceable rights issue of up to 101,790,000 new ordinary shares of RM0.25 each in the Company after the proposed par value reduction ("rights shares") together with up to 76,342,500 new free detachable warrants ("warrants") on the basis of two rights shares for every one share held after the proposed par value reduction, together with three warrants for every four rights shares subscribed on an entitlement date and at an issue price to be determined later.
- (iii). Proposed amendments to Memorandum of Associations.

Bursa Malaysia had vide its letter dated 13 January 2014 provide its approval in principle. On 20 March 2014, shareholders of the Company approved all the above proposals.

As at date of this report, the completion of the said proposals is now pending confirmation of the High Court and approval of other authorities, if required.

38.2 On 14 March 2014, one of the subsidiary company, Nagamas Land Development Sdn. Bhd. had entered into a loan agreement with a third party amounting to RM2,000,000. The said loan is repayable within 12 months and bearing interest of 8% per annum.

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013 (CONT'D)

39. COMPARATIVE FIGURES

The following figures have been reclassified to conform to the presentation of the current financial year:-

	Group		Company	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Statements of financial position:-				
Non-trade payables	1,726,009	2,663,975	666,264	1,604,230
Amount due to directors	937,966	-	937,966	-
Statements of profit or loss and other comprehensive income:-				
Cost of sales	8,063,512	7,902,560	-	-
Administrative expenses	3,699,652	3,860,604	2,588,449	2,588,449

JIANKUN INTERNATIONAL BERHAD
(FORMERLY KNOWN AS NAGAMAS INTERNATIONAL BERHAD)
(111365-U)
(Incorporated in Malaysia)

SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2013 into realised and unrealised (losses) / profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accounts as follows:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total accumulated losses of the Company and its subsidiary companies:				
- realised	(40,232,785)	(36,019,902)	(35,378,587)	(31,824,431)
- unrealised	6,701,044	149,527	-	-
	<u>(33,531,741)</u>	<u>(35,870,375)</u>	<u>(35,378,587)</u>	<u>(31,824,431)</u>
Add: Consolidation adjustments	3,023,134	720,808	-	-
	<u>(30,508,607)</u>	<u>(35,149,567)</u>	<u>(35,378,587)</u>	<u>(31,824,431)</u>

**UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE NINE (9)-
MONTH PERIOD ENDED 30 SEPTEMBER 2014**

CERTIFIED TRUE COPY



DATO' DONALD LIM SIANG CHAF
Executive Chairman
Nagamas International Berhad (111365-U)

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

Interim Financial Report
30-Sep-14

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

Interim Financial Report

30-Sep-14

	Page No.
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Interim Financial Report	7 - 12

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 - For the period ended 30 September 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-14 RM'000	Preceding Year Quarter 30-Sep-13 RM'000	Current Year To date 30-Sep-14 RM'000	Preceding Year To date 30-Sep-13 RM'000
Revenue	1,107	1,973	3,126	5,463
Cost of Sales	(830)	(1,715)	(2,341)	(3,840)
Operating profit	277	258	785	1,623
Revaluation of Investment Properties	-	-	-	-
Other Income	1	-	6	20
Administration and general expenses	(440)	(899)	(2,388)	(2,392)
Finance costs	(11)	(38)	(46)	(114)
Profit/(loss) before taxation	(173)	(679)	(1,643)	(863)
Taxation	-	-	-	-
Net profit/(loss) for the period	(173)	(679)	(1,643)	(863)
Other comprehensive income after tax:				
Net currency translation differences	(120)	-	10	-
Other comprehensive income for the period, net of tax	(120)	-	10	-
Total comprehensive income for the period	(293)	(679)	(1,633)	(863)
Net profit/(loss) attributable to:				
- Owners of the parent	(173)	(679)	(1,643)	(863)
- Minority interest	-	-	-	-
	(173)	(679)	(1,643)	(863)
Total comprehensive income attributable to:				
- Owners of the parent	(293)	(679)	(1,633)	(863)
- Minority interest	-	-	-	-
	(293)	(679)	(1,633)	(863)
Earnings per share (sen) for loss attributable to owners of the Parent				
-Basic (sen)	(0.34)	(1.33)	(3.23)	(1.70)
-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 30 September 2014

	30-Sep-14 (Unaudited) RM'000	31-Dec-13 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	84	101
Motor Vehicle	282	344
Investment properties	20,813	20,813
	<u>21,179</u>	<u>21,258</u>
Current Assets		
Property Development Costs	5,359	4,306
Trade Receivables	1,662	2,410
Accrued Billing	678	-
Amount due from customer on contract	-	-
Other Receivables	4,631	4,611
Tax Recoverable	-	-
Cash & Bank Balances	129	253
	<u>12,459</u>	<u>11,580</u>
TOTAL ASSETS	<u>33,638</u>	<u>32,838</u>
Equity		
Share Capital	12,724	50,895
Accumulated Losses	(1,644)	(30,509)
Capital Reserve	7,663	-
Translation Adjustment Account	167	157
Total Equity	<u>18,910</u>	<u>20,543</u>
Non Current Liabilities		
Hire Purchase	152	181
Deferred taxation	4,374	4,386
	<u>4,526</u>	<u>4,567</u>
Current Liabilities		
Trade Payables	436	807
Progress billings	-	179
Other Payables & Accruals	9,467	5,834
Bank borrowing	245	849
Hire Purchase	54	59
	<u>10,202</u>	<u>7,728</u>
Total Liabilities	14,728	12,295
Total Equity And Liabilities	<u>33,638</u>	<u>32,838</u>
Net assets per share	1.4862	0.4036

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 CHANGES IN EQUITY
 - For the period ended 30 September 2014

	< ----- Non-distributable ----- >			Distributable	
	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			(30,509)	30,509	-
Net loss for the quarter	-	-	-	(173)	(173)
Balance as at 30 September 2014	12,724	167	7,663	(1,644)	18,910

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 CASH FLOWS
 - For the period ended 30 September 2014

	Period Ended 30-Sep-14 RM'000	Period Ended 30-Sep-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,643)	(863)
Adjustment for:		
Depreciation	76	71
Interest expenses	46	114
Gain on unrealised forex	(12)	-
Adjustment in Accumulated losses	30,509	-
Interest income	-	-
Revaluation of investment properties	-	-
Operating profit/(loss) before working capital changes	<u>28,977</u>	<u>(678)</u>
(Increase)/Decrease in Development Properties Costs	(1,053)	(2,538)
(Increase)/Decrease in receivables	70	80
Decrease/(Increase) in payable	3,063	4,267
Decrease in amount due from customer on contract	-	131
Loss on disposal of Property, Plant and Equipment	-	10
Net cash generated from/(used in) operating activities	<u>31,057</u>	<u>1,272</u>
Interest received	-	-
Interest expenses	(46)	(114)
Tax refunded	-	-
	<u>31,011</u>	<u>1,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase/(Decrease) in Share Capital	(38,171)	-
Increase/(Decrease) in Capital Reserves	7,663	-
Purchase of motor vehicle	-	(413)
Purchase/(Disposal) of property, plant & equipment	2	-
Net cash used in investing	<u>(30,507)</u>	<u>(413)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	-	-
Drawdown/(Repayment) of hire purchase	(34)	243
Interest paid	(46)	(114)
Repayment of bank loan	(558)	(1,090)
Net cash generated from financing activities	<u>(638)</u>	<u>(961)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(134)	(216)
EFFECT ON TRANSLATION DIFFERENCES	10	(3)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	253	394
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>129</u>	<u>175</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)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 30 September 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	Amendments to FRS 10 : Improvements to FRSs (2012) : Investment entities	1-Jan-14
FRS 12	Amendments to FRS 12: Improvements to FRSs (2012) : Investment entities	1-Jan-14
FRS 127	Amendment to FRS 127 : Improvements to FRSs (2012) : Investment entities	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 9	Amendments to FRS 9 : Mandatory Effective Date of FRS 9 and Transition Disclosures	1-Jan-15

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:

		Effective
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2010)	1-Jan-15
FRS 119	Amendments to FRS 119: Defined benefit plans; Employee contributions	1-Jul-14
FRS 2010-2012 cycle	Annual improvements to FRS 2010-2012 cycle	1-Jul-14
FRS 2011-2013 cycle	Annual improvements to FRS 2011-2013 cycle	1-Jul-14
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2010)	To be announced
FRS 9	Financial Instruments: Hedge accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

JIANKUN INTERNATIONAL BERHAD (111365-U)
(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 31 March 2014

Part A – Explanatory Notes Pursuant to FRS 134

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 2015. 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 2015.

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, retroactively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ended 31 December 2015.

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 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 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 under review. However, there were par value reduction of the existing issued and paid up share capital from RM50,895,000 comprising 50,895,000 ordinary shares of RM1.00 each to RM12,723,750 comprising 50,895,000 ordinary shares of RM0.25 each through the cancellation of RM0.75 from the existing par value of RM1.00 each.

A8. Dividends

No dividend is being proposed or paid for this quarter.

JIANKUN INTERNATIONAL BERHAD (111365-U)

(formerly known as NAGAMAS INTERNATIONAL BERHAD)
- For the period ended 30 September 2014

Part A – Explanatory Notes Pursuant to FRS 134

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	-	3,126	-	3,126
Inter-segment sales	-	-	-	-
Total Revenue	-	3,126	-	3,126
Segment result-external	(32)	(1,611)		(1,643)
Profit/(loss) before taxation				(1,643)
Taxation				-
Profit/(Loss) after taxation				(1,643)
Segment assets	-	33,638		33,638
Segment liabilities	289	14,439		14,728

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

There was no change of valuation value in investment properties and property, plant and equipment during the quarter.

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 9 July 2014, the Company has obtained High Court of Malaya confirming on par value reduction of the Company ordinary share to RM0.25 per share. The Court Order has been lodged with the Companies Commission of Malaysia on 8 August 2014, upon which the Par Value Reduction shall take effect. Hence, the Par Value Reduction is deemed completed.

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.

JIANKUN INTERNATIONAL BERHAD (111365-U)
 (formerly known as NAGAMAS INTERNATIONAL BERHAD)
 - For the period ended 30 September 2014

Part A – Explanatory Notes Pursuant to FRS 134

A14. Significant related party transactions

(a) Related party relationship

Malaysia-Beijing Travel Services Sdn Bhd is a company in which a director and a shareholder of the Company, has substantial interest.

(b) Related party transactions

	Current Quarter Ended 30-Sep-14 RM'000
Malaysia-Beijing Travel Services Sdn Bhd	
-Rental expenses of premises	<u>42</u>

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 (Sept 2014 vs Sept 2013)

For the quarter under review, the Group registered a revenue of RM1,107,000 and a net loss after taxation of RM173,000 compared to a revenue of RM1,973,000 and a net loss after taxation of RM679,000 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	
	30-Sep-14	30-Sep-13		
	RM'000	RM'000	%	RM'000
Services	0	559	-100.00%	(559)
Property and investment holdings	1,107	1,414	-21.71%	(307)
	1,107	1,973	-43.89%	(866)

The decrease in revenue as compared in preceding quarter was due to stop of operation in the services (air tickets) segment, nevertheless, the property and investment segment remain on going.

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

Revenue recorded for current quarter was RM1,107,000, an decreased of RM190,000 compared the revenue on preceding quarter 30 June 2014 of RM1,129,000. Loss after taxation for the quarter was RM173,000 compared to a loss after taxation of RM673,000 in the preceding quarter. The loss after tax was narrow down due to reduce in expenses recorded for the quarter under review.

B3. Future Prospects

The Corporate Proposals undertaken by the Company is expected to put the Group in a better financial position. Upon the listing of the Rights Share and Warrants on Bursa Securities Berhad, which is expected in 2014, the Company is expected to raise a minimum sum of RM8.5 million, which can be used to funds for working capital and projects.

B4. Variance on Profit Forecast / Profit Guarantee

Not applicable.

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

- For the period ended 30 September 2014

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

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.

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

There was no sale of unquoted investments and properties for the quarter under review.

B7. Purchase or Disposal of Quoted Securities

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

B8. Group Borrowings

Total group borrowings as were as follows: -

	Secured RM'000	Total RM'000
Hire Purchase	206	206
Bridging loan	<u>245</u>	<u>245</u>

B9. Off Balance Sheet Financial Instruments

None.

B10. Material Litigation

None.

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:-

Basic in sen	RM'000	
	(173)	
	<u>50,895</u>	
=	(0.34)	
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 30-Sep-14 RM'000	Current Year to date 30-Sep-14 RM'000
Interest income	-	-
Interest expenses	11	46
Depreciation and amortization	<u>28</u>	<u>76</u>

JIANKUN INTERNATIONAL BERHAD (111365-U)

(formerly known as NAGAMAS INTERNATIONAL BERHAD)
 - For the period ended 30 September 2014

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

B13. Realised and Unrealised Profits/Losses Disclosure

	Current Quarter Ended 30-Sep-14 RM '000	Preceding Quarter Ended 30-Sep-13 RM '000
Total realised losses	(1,644)	(35,334)
Total unrealised profits/(loss)	-	-
Less : Consolidated adjustment	167	(760)
Total accumulated losses	<u>(1,477)</u>	<u>(36,094)</u>

By Order of the Board

DIRECTORS' REPORT

Date : **25 NOV 2014**

Registered Office:
Suite 9-13A
Level 9, Wisma UOA II
Jalan Pinang



To: The Entitled Shareholders of Jiankun International Berhad (formerly known as Nagamas International Berhad)

Dear Sir/Madam,

On behalf of the Board of Directors ("Board") of Jiankun International Berhad (formerly known as Nagamas International Berhad) ("Company"), I wish to report that, after due enquiries in relation to the Company and its subsidiaries ("Group") during the period between 31 December 2013, being the date on which the latest audited consolidated financial statements of JIB have been made up, and the date hereof, being a date not earlier than 14 days before the issuance of the Abridged Prospectus, that:-

- (a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (b) there have, in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Company, which adversely affected the trading or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by any company within the Group;
- (e) there has been no default or any known event, since the last audited consolidated financial statements of the Company, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and
- (f) there has been no material changes in the published reserves or any unusual factors affecting the profits of the Group, since the last audited consolidated financial statements of the Company.

Yours faithfully,

For and on behalf of the Board

JIANKUN INTERNATIONAL BERHAD (formerly known as Nagamas International Berhad)

Dato' Ir lim siang chai
EXECUTIVE CHAIRMAN

Jiankun International Berhad 111365-U
(Formerly known as Nagamas International Berhad)

2F & 3F Wisma Malaysia-Beijing, 33, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia
T +603 2141 8818 F +603 2144 2868

ADDITIONAL INFORMATION**1. SHARE CAPITAL**

- (i) Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, no securities shall be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.
- (ii) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.25 each, all of which rank pari passu with one another.
- (iii) All the Rights Shares and the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue rank pari passu in all respects with the existing issued and paid-up ordinary share capital, save and except that such Shares will not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid prior to the date of allotment of such Shares.
- (iv) As at the date of this Abridged Prospectus, save for the Entitled Shareholders who will be provisionally allotted the Rights Shares with Warrants under the Rights Issue with Warrants, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries as of the date of this Abridged Prospectus.
- (v) None of our securities has been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash, within two (2) years immediately preceding the date of this Abridged Prospectus.

2. ARTICLES OF ASSOCIATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:

Article 97

- (a) The fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting. Provided that such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (b) The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- (c) Save as provided in Article 97(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission of participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article 97(a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in general meeting.

- (d) Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover.
- (e) Salaries payable to executive Directors may not include a commission on or percentage of turnover.
- (f) Any fee paid to an Alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 98

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company, including their travelling and other expenses incurred in attending Board Meetings and all other meetings of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

Article 127

The remuneration of a Managing Director shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

Save for the Deed Poll, after having made all reasonable enquiries, our Board confirms that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

Our Board confirms that neither our Company nor any of our subsidiaries are engaged in any material litigation, claims or arbitration as at the LPD, either as plaintiff or defendant, and after having made all reasonable enquiries and to the best knowledge of our Board, does not have any knowledge of any proceedings pending or threatened against our Group, or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

5. GENERAL

- (i) The nature of our business is set out in Section 1, Appendix III of this Abridged Prospectus. Save as disclosed in Section 5, Appendix III of this Abridged Prospectus, there are no corporations that are related to our Company by virtue of Section 6 of the Act as at the date of this Abridged Prospectus.
- (ii) The total estimated expenses in connection with the Rights Issue with Warrants including professional fees, fees payable to the relevant authorities, registration and other incidental expenses of approximately RM500,000 will be borne by our Company.
- (iii) None of our Directors have any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year of the date of this Abridged Prospectus.
- (iv) Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Directors, there is no material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.
- (v) Save as disclosed in this Abridged Prospectus and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or significant economic changes which will materially affect the amount of reported income from operations;
 - (d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact of our Group's revenue or operating income; and
 - (e) substantial increase in revenue.

6. WRITTEN CONSENTS

The written consents of our Adviser, Company Secretaries, Principal Bankers, Share Registrar, Auditors and Solicitors for the Rights Issue with Warrants to the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants to the inclusion in this Abridged Prospectus of their names and letters relating to the audited consolidated financial statements of our Group for the FYE 31 December 2013 and the pro forma consolidated statements of financial position of our Group as at the FYE 31 December 2013, in the form and context in which they appear have been given prior to the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at our Registered Office at Suite 9-13A Level 9, Wisma UOA II, Jalan Pinang 50450 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:

- (i) Our Memorandum and Articles of Association;
- (ii) Our audited consolidated financial statements for the past three (3) FYEs 31 December 2011, 2012 and 2013;
- (iii) Our unaudited consolidated financial statements for the nine (9)-month period ended 30 September 2014;
- (iv) The pro forma consolidated statements of financial position of our Group as at 31 December 2013 together with the Reporting Accountants' letter thereon as set out in Appendix IV of this Abridged Prospectus;
- (v) The Deed Poll;
- (vi) The Directors' Report as set out in Appendix VII of this Abridged Prospectus;
- (vii) The consent letters referred to in Section 6 of this Appendix; and
- (viii) The irrevocable written undertaking letters from JKMBI and DLSC as referred to in Section 2.6 of this Abridged Prospectus.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

M&A Securities, being our Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

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