



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

Interim Financial Report
31 March 2021

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- For the quarter ended 31 March 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-21 RM'000	Preceding Year Quarter 31-Mar-20 RM'000	Current Year To date 31-Mar-21 RM'000	Preceding Year To date 31-Mar-20 RM'000
Revenue	11,813	19,213	11,813	19,213
Cost of Sales	(9,825)	(15,832)	(9,825)	(15,832)
Gross Profit	1,988	3,381	1,988	3,381
Other Income	7	208	7	208
Selling and marketing expenses	(40)	(68)	(40)	(68)
Administrative expenses	(1,386)	(1,194)	(1,386)	(1,194)
Other operating expenses	-	-	-	-
Operating profit / (loss)	569	2,327	569	2,327
Interest income	-	52	-	52
Finance costs	(3)	(2)	(3)	(2)
Profit / (loss) before taxation	566	2,377	566	2,377
Taxation	(201)	(430)	(201)	(430)
Net profit/(loss) for the period	365	1,947	365	1,947
Other comprehensive income after tax:				
Net currency translation differences	(23)	110	(23)	110
Other comprehensive income for the period, net of tax	(23)	110	(23)	110
Total comprehensive income for the period	342	2,057	342	2,057
Net profit/(loss) attributable to:				
- Owners of the parent	365	1,947	365	1,947
- Minority interest	-	-	-	-
	365	1,947	365	1,947
Total comprehensive income attributable to:				
- Owners of the parent	342	2,057	342	2,057
- Minority interest	-	-	-	-
	342	2,057	342	2,057
Earnings per share attributable to the owner of the Company (sen) attributable to owners of the parent				
-Basic (sen)	0.20	1.17	0.20	1.17
-Diluted (sen)	0.14	0.80	0.14	0.80

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As at 31 March 2021

	31-Mar-21 (Unaudited) RM'000	31-Dec-20 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	127	124
Right of Use Assets	366	-
Investment properties	28,861	28,861
Other Receivable	4,245	4,245
	<u>33,599</u>	<u>33,230</u>
Current Assets		
Inventories	26,004	17,630
Trade Receivables	4,408	5,401
Contract Assets	6,894	12,981
Other Receivables	9,163	1,696
Tax Recoverable	567	555
Fixed deposit with license bank	3,850	7,444
Cash & Bank Balances	13,956	11,508
	<u>64,842</u>	<u>57,215</u>
TOTAL ASSETS	<u>98,441</u>	<u>90,445</u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company		
Share Capital	54,173	45,291
Reserves	15,290	14,968
Total Equity	<u>69,463</u>	<u>60,259</u>
Non Current Liabilities		
Lease Liabilities	142	-
Deferred Taxation	7,054	7,054
	<u>7,196</u>	<u>7,054</u>
Current Liabilities		
Trade Payables	8,448	5,150
Contract liabilities	-	-
Other Payables & Accruals	13,126	17,656
Lease liabilities	208	-
Provision for Taxation	-	326
	<u>21,782</u>	<u>23,132</u>
Total Liabilities	<u>28,978</u>	<u>30,186</u>
TOTAL EQUITY AND LIABILITIES	<u>98,441</u>	<u>90,445</u>
Net assets per share (RM)	0.37	0.32

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- For the quarter ended 31 March 2021

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

	< ----- Non-distributable ----- >			Distributable	Total
	Share Capital	Foreign Exchange Translation Reserve	Warrant Reserve	Accumulated Losses	
	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2020	44,656	4,308	13,606	(7,881)	54,689
Net loss for the period	-	-	-	1,947	1,947
Currency translation differences	-	110	-	-	110
Balance as at 31 March 2020	44,656	4,418	13,606	(5,934)	56,746

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the quarter ended 31 March 2021

	Year Ended 31-Mar-21 RM'000	Year Ended 31-Mar-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
Profit before taxation	566	2,377
Adjustment for:		
Depreciation	64	66
Finance costs	303	363
Finance income	(1)	(51)
Operating profit/(loss) before working capital changes	<u>932</u>	<u>2,749</u>
(Increase)/Decrease in Inventories	1,598	37,380
(Increase)/Decrease in trade receivables	(1,594)	(27,144)
(Increase)/Decrease in other receivables	(7,520)	633
(Decrease)/Increase in trade payables	(1,905)	809
(Decrease)/Increase in other payables	563	(430)
(Increase)/Decrease in contract Assets	(1,318)	-
Net cash generated from/(used in) operating activities	<u>(9,244)</u>	<u>13,997</u>
Interest paid	(303)	(363)
Interest received	1	51
Tax paid	(366)	(255)
	<u>(9,912)</u>	<u>13,430</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(15)	(7)
Net cash received / (used) in investing activities	<u>(15)</u>	<u>(7)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown / (Repayment) of bank borrowing (net)	-	(9,922)
Drawdown/(Repayment) of right of use assets	(69)	(49)
Proceed from issuance of share	8,851	-
Net cash generated / (used) from financing activities	<u>8,782</u>	<u>(9,971)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,145)	3,452
EFFECT ON TRANSLATION DIFFERENCES	(23)	110
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	18,971	10,833
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>17,803</u></u>	<u><u>14,395</u></u>
Cash and cash equivalents comprise:-		
Fixed deposit with licensed bank	3,850	3,755
Housing development accounts	7,962	4,652
Cash and bank balance	5,991	5,988
	<u><u>17,803</u></u>	<u><u>14,395</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

- For the quarter ended 31 March 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A1. Basic Of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting, International Accounting Standard (“IAS”) 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies.

A2. Changes in Accounting Policies

Basis of accounting

The accounting policies and methods of computation adopted by the Group in this interim financial report are prepared in accordance with MFRSs effective for annual periods beginning on 1 January 2012 and the amendment to MFRSs effective on or after 1 January 2012.

The Group ad adopted the following Amendements to Standards:

Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
MFRS 4, MFRS 7, MFRS 9, MFRS	Interest rate benchmark reform- phase 2	1 January 2021

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group

Description	Effective date for financial periods beginning on or after	
Amendments to MFRS 16	Covid-19-Related Rent Concessions 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Amendments to MFRS Standards 2018 - 2020	12 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The adoption of new MFRS and amendments do not have any material effect on the financial statements

A3. Declaration of Qualification of Audit Report

There was no qualification in the audited financial report for the year ended 31 December 2020.

A4. Seasonality or Cyclicity of Operations

The Group's operations are not subject to seasonal or cyclical factors.

A5. Nature and Amounts of Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

A6. Nature and Amount of Changes in Estimates

There were no changes in estimates that have had a material effect in the current financial quarter-to-date results.

- For the quarter ended 31 March 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A7. Issuances or Repayment of Debt and Equity Securities

During the current quarter under review, the issuances of equity securities were as follows;

- (i) A total of 111,000 new ordinary shares were issued pursuant to the exercise of 111,000 warrants at the issue price of RM0.32 per share. The shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

- (ii) 9,000,000 and 14,000,000 new ordinary shares were issued pursuant to the private placement at the issue price of RM0.415 and RM0.372 per share. The shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

A8. Dividends

There was no dividend is being proposed or paid for this quarter.

A9. Segmental Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Property development and construction	Develop and provides construction services for residential, industrial and commercial property.
Project management and advisory	Provides project management services for residential, industrial and commercial property development.
Property management and investment holding	Provision of management, marketing and consultancy services.

The Group Executive Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income tax are managed on a group basis and are not allocated to operating segments.

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

- For the quarter ended 31 March 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A9. Segmental Information (cont.)

Group

	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2021						
Revenue						
External customers	-	11,776	37	11,813	-	11,813
Inter-segment	-	8,005	-	8,005	(8,005)	-
Total revenue	-	19,781	37	19,818	(8,005)	11,813
Result						
Profit / (loss) before taxation	-	1,118	(376)	742	(176)	566
Taxation	-	(194)	(7)	(201)	-	(201)
Segment profit / (loss)	-	924	(383)	541	(176)	365

	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Segmental assets	-	59,927	59,524	119,451	(21,010)	98,441

Including in the measurement of assets are:

Capital expenditure relating to:						
- property, plant and equipment	-	1	-	1	-	1

Liabilities

Segment liabilities	-	21,784	7,194	28,978	-	28,978
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Other non-cash item

Depreciation of:						
- properties, plant and equipment	-	(63)	(1)	(64)	-	(64)
- right of use assets	-	(52)	-	(52)	-	(52)

- For the quarter ended 31 March 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A9. Segmental Information (cont.)

Group	Project management and advisory	Property development and construction	Property management and investment holding	Total segments	Adjustments and elimination	Total operation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2020						
Revenue						
External customers	-	19,202	12	19,214	-	19,214
Inter-segment	-	9,809	-	9,809	(9,810)	(1)
Total revenue	-	29,011	12	29,023	(9,810)	19,213
Result						
Other incomes	-	51	-	51	-	51
Loss before taxation	-	1,723	(147)	1,576	801	2,377
Taxation	-	(428)	(2)	(430)	-	(430)
Segment profit / (loss)	-	1,295	(149)	1,146	801	1,947
Assets						
Segment assets	Project management and advisory	d construction	stment holding	-	nd elimination	-
Including in the measurement of assets are:						
Capital expenditure relating to:						
- right of use assets	-	393	-	393	-	393
- property, plant and equipment	-	7	-	7	-	7
Liabilities						
Segment liabilities	-	37,575	6,777	44,352	(8,110)	36,242
Other non-cash item						
Depreciation of property,						
- plant and equipment	-	(13)	(5)	(18)	-	(18)
- right of use assets	-	(49)	-	(49)	-	(49)

A10. Changes in the composition of the Group

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

A11. Changes in the contingent liabilities

There were no contingent liabilities at the end of the quarter.

A12. Significant related party transactions

There was no other material related party transactions for the current quarter and financial year-to-date.

A13. Capital Commitments

Provided for:

The balance of entitlement payable to Fivestar Development (Puchong) Sdn. Bhd. for Amani Residences project which was included in other payables.

Not provided for:

The purchase consideration payable to Cash Support Sdn. Bhd. a piece of leasehold land held under H.S. (D) 70546, Pt 498 Pekan Klebang Sek. II, Daerah Melaka Tengah, Negeri Melaka measuring approximately 18,387 square meters (196,020 square foot) for a total purchase consideration of RM13 million.

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

- For the quarter ended 31 March 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A14. Significant Events and Transactions

- a) On 22 December 2020 Jiankun International Berhad entered into a memorandum of understanding (“MOU”) with Chuanplus Industries Sendirian Berhad (“Chuanplus”) setting the intention of the Company and Chuanplus to negotiate in good faith with a view of:-
- i. investing RM50 million to produce nitrile rubber (“NBR”) for the booming rubber glove industry.
 - ii. forming a special purpose company (SPV) to build a new nitrile rubber production plant and enter the upstream production of nitrile gloves.
 - iii. Jiankun raising funds while Chuanplus providing the technology know-how to produce NBR.
 - iv. discussing investment plan. RM50 million investment is earmark for the purchase of machinery, reactors, installations and all equipment.
 - v. discussing on acquiring factory for RM70 million or renting a factory.
 - vi. negotiating capital structure of SPV, whereby Jiankun will hold 80% of the SPV and Chuanplus will hold 20%.
- b) As at 31 March 2021, Key Success Development Sdn Bhd, a subsidiary company of the Company had entered into a Sale and Purchase Agreement with Cash Support Sdn. Bhd. for a piece of leasehold land held under H.S. (D) 70546, Pt 498 Pekan Klebang Sek. II, Daerah Melaka Tengah, Negeri Melaka measuring approximately 18,387 square meters (196,020 square foot) for a total purchase consideration of RM13 million.

- For the quarter ended 31 March 2021

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

B1. Review of Group Performance

	Individual Quarter			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To-date	Preceding year Corresponding Period	Changes
	31-Mar-21 RM'000	31-Mar-20 RM'000	RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000	RM'000
Revenue	11,813	19,213	(7,400)	11,813	19,213	(7,400)
Gross profit	1,988	3,381	(1,393)	1,988	3,381	(1,393)
Other incomes	7	208	(201)	7	208	(201)
Profit / (loss) before tax	566	2,377	(1,811)	566	2,377	(1,811)
Profit / (loss) after tax	365	1,947	(1,582)	365	1,947	(1,582)

Performance of the current quarter against the same quarter in the preceding year (1Q 2021 vs 1Q 2020)

The comparison between first quarter, revenue decreased from RM19.213 million to RM11.813 million whereby the profit before tax decreased from RM2.377 million to RM0.566 million. The decrease of RM7.400 million revenue and profit before tax of RM1.811 million was mainly due to COVID-19 at site had affected works progress for Amani project.

B2. Comparison with Preceding Quarter's Results

	Current Quarter	Immediate Preceding Quarter	Changes
	31-Mar-21 RM'000	29-Dec-20 RM'000	RM'000
Revenue	11,813	10,986	827
Gross profit	1,988	1,353	635
Profit / (loss) before tax	566	2,401	(1,835)
Profit / (loss) after tax	365	993	(628)

The revenue for current quarter increased from RM10.986 million to RM11.813 million and the profit before tax decreased from RM2.401 million to RM0.566 million as compare with preceding quarter. The decrease in profit was mainly due to slow works progress in Amani Residences project there is a valuation gain derived from China properties at the end of year 2020.

B3. Future Prospects

In view of the current economic outlook and COVID-19 pandemic effect, the results of the Group in future will be affected, especially in the year of 2021. The Board in the opinion that 2021 will remain a challenging year because of the uncertainties of when the COVID-19 pandemic will be over. However the recent budget had provide some incentive to first home buyer that may provide some help to our business in property industry. In order to ensure long term sustainable business for the Group, the Board together with the Management will continue to source for new lands for future development.

B4. Variance on Profit Forecast / Profit Guarantee

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

- For the quarter ended 31 March 2021

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

B5. Taxation

The tax charge relates principally to the current quarter's profit made by certain profitable subsidiary companies which cannot be offset against the losses of other subsidiary companies within the Group.

The tax charge for the Group is as follows:-

	31-Mar-21 RM'000	31-Mar-20 RM'000
Current tax	201	430
Under provision in prior year	-	-
	<u>201</u>	<u>430</u>

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

There was no profit or loss on sale of unquoted investment and/or properties for the quarter under review.

B7. Purchase or Disposal of Quoted Securities

There was no purchases or disposals of quoted securities by the Group for the quarter under review.

B8. Status of corporate proposals and utilisation of proceeds

There was no corporate proposals and utilisation of purchases or disposals of quoted securities by the Group for the quarter under review.

B9. Group Borrowings

Total Group borrowings were as follows:

	Current Year As At 31-Mar-21 RM '000	Preceding Year As At 31-Mar-20 RM '000
Secured:		
Short term:		
Bridging loan	-	7,298
	<u>-</u>	<u>7,298</u>
Long term:		
Bridging loan	-	-
	<u>-</u>	<u>-</u>

B10. Off Balance Sheet Financial Instruments

There was no off balance sheet financial instruments by the Group for the quarter under review.

B11. Material Litigation

There was no material litigation for the Group for the quarter under review.

- For the quarter ended 31 March 2021

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

B12. Earnings Per Share (EPS)

The EPS for the year was calculated base on the profit after taxation for the year divided by the weighted average number of ordinary shares issued during the year.

EPS for the quarter is as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-21 RM'000	Preceding Year Quarter 31-Mar-20 RM'000	Current Year To Date 31-Mar-21 RM'000	Preceding Year To Date 31-Mar-20 RM'000
Profit / (Loss) after tax	365	1,947	365	1,947
Number of ordinary shares issued as at 1 January	166,845	166,845	166,845	166,845
Effect of shares issued from warrant conversion	18,668	-	18,668	-
Weighted Average number of ordinary shares issued	185,513	166,845	185,513	166,845
Basic EPS (Sen)	0.20	1.17	0.20	1.17

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-21 RM'000	Preceding Year Quarter 31-Mar-20 RM'000	Current Year To Date 31-Mar-21 RM'000	Preceding Year To Date 31-Mar-20 RM'000
Profit / (Loss) after tax	365	1,947	365	1,947
Weighted Average number of ordinary shares issued	185,513	166,845	185,513	166,845
Assume shares issued from full exercise of warrants	74,205	75,587	74,205	75,587
Adjusted Weighted Average number of ordinary shares issued	259,718	242,432	259,718	242,432
Diluted EPS (Sen)	0.14	0.80	0.14	0.80

B13. Notes to the Statement of Comprehensive Income

	Current Year Ended 31-Mar-21 RM'000	Preceding Year Ended 31-Mar-20 RM'000
Profit for the period is arrived at after charging:		
Depreciation and amortization	64	66
and after crediting:		
Interest income	1	51

- For the quarter ended 31 March 2021

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

B14. Realised and Unrealised Profits/Losses Disclosure

	Current Year Ended	Preceding Year Ended
	31-Mar-21 RM '000	31-Mar-20 RM '000
Total realised losses	(6,356)	(13,023)
Total unrealised profits/(loss)	6,304	6,304
	<u>(52)</u>	<u>(6,719)</u>
Consolidated adjustment	(1,863)	785
Total accumulated profit/(loss)	<u>(1,915)</u>	<u>(5,934)</u>

By Order of the Board

Date: 31 May 2021