



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

Interim Financial Report
30 September 2021

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

- For the quarter ended 30 September 2021

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Current Year Quarter 30-Sep-21 RM'000 | Preceding Year Quarter 30-Sep-20 RM'000 | Current Year To date 30-Sep-21 RM'000 | Preceding Year To date 30-Sep-20 RM'000 |
| Revenue | 12,185.00 | 23,310 | 33,158.00 | 47,785 |
| Cost of Sales | (10,064.00) | (19,433) | (27,393.00) | (39,772) |
| Gross Profit | 2,121.00 | 3,877 | 5,765.00 | 8,013 |
| Other Income | 126.00 | (35) | 177.00 | 232 |
| Selling and marketing expenses | (7.00) | (95) | (57.00) | (198) |
| Administrative expenses | (1,278.00) | (844) | (3,635.00) | (2,757) |
| Operating profit / (loss) | 962.00 | 2,903 | 2,250.00 | 5,290 |
| Interest income | 42 | 25 | 117 | 107 |
| Finance costs | (2) | (1) | (8) | (4) |
| Profit / (loss) before taxation | 1,002 | 2,927 | 2,359 | 5,393 |
| Taxation | 121 | (335) | (222) | (783) |
| Net profit/(loss) for the period | 1,123 | 2,592 | 2,137 | 4,610 |
| Other comprehensive income after tax: | | | | |
| Net currency translation differences | - | (16) | 726 | (25) |
| Other comprehensive income for the period, net of tax | - | (16) | 726 | (25) |
| Total comprehensive income for the period | 1,123 | 2,576 | 2,863 | 4,585 |
| Net profit/(loss) attributable to: | | | | |
| - Owners of the parent | 1,123 | 2,592 | 2,137 | 4,610 |
| - Minority interest | - | - | - | - |
| | 1,123 | 2,592 | 2,137 | 4,610 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the parent | 1,123 | 2,576 | 2,863 | 4,585 |
| - Minority interest | - | - | - | - |
| | 1,123 | 2,576 | 2,863 | 4,585 |
| Earnings per share attributable to the owner of the Company (sen) attributable to owners of the parent | | | | |
| -Basic (sen) | 0.57 | 1.55 | 1.09 | 2.76 |
| -Diluted (sen) | 0.57 | 1.07 | 1.09 | 1.90 |

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 30 September 2021

| | 30-Sep-21 (Unaudited) RM'000 | 31-Dec-20 (Audited) RM'000 |
|---|------------------------------------|----------------------------------|
| <u>ASSETS</u> | | |
| Non-Current Assets | | |
| Property, Plant and Equipment | 426 | 124 |
| Right of Use Assets | 261 | - |
| Investment properties | 38,861 | 28,861 |
| Other Receivable | 4,245 | 4,245 |
| | <u>43,793</u> | <u>33,230</u> |
| Current Assets | | |
| Inventories | 32,465 | 17,630 |
| Trade Receivables | 21 | 5,401 |
| Contract Assets | 19,328 | 12,981 |
| Other Receivables | 5,604 | 1,696 |
| Tax Recoverable | 662 | 555 |
| Fixed deposit with license bank | 3,850 | 7,444 |
| Cash & Bank Balances | 6,613 | 11,508 |
| | <u>68,543</u> | <u>57,215</u> |
| TOTAL ASSETS | <u>112,336</u> | <u>90,445</u> |
| <u>EQUITY AND LIABILITIES</u> | | |
| Equity attributable to owners of the Company | | |
| Share Capital | 39,324 | 45,291 |
| Reserves | 38,231 | 14,968 |
| Total Equity | <u>77,555</u> | <u>60,259</u> |
| Non Current Liabilities | | |
| Lease Liabilities | 256 | - |
| Deferred Taxation | 6,304 | 7,054 |
| | <u>6,560</u> | <u>7,054</u> |
| Current Liabilities | | |
| Trade Payables | 7,187 | 5,150 |
| Other Payables & Accruals | 21,018 | 17,656 |
| Lease liabilities | - | - |
| Provision for Taxation | 16 | 326 |
| | <u>28,221</u> | <u>23,132</u> |
| Total Liabilities | <u>34,781</u> | <u>30,186</u> |
| TOTAL EQUITY AND LIABILITIES | <u>112,336</u> | <u>90,445</u> |
| Net assets per share (RM) | 0.40 | 0.31 |

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 30 September 2021

| | < ----- Non-distributable ----- > | | | Distributable | Total RM'000 |
|--|-----------------------------------|---|--------------------|-------------------------------------|-----------------|
| | Share Capital | Foreign Exchange Translation Reserve | Warrant Reserve | Accumulated (Losses) / Profit | |
| | 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 | - | - | - | 2,137 | 2,137 |
| Foreign exchange translation reserve | - | 726 | - | - | 726 |
| Total comprehensive (loss) / income for the period | - | 726 | - | 2,137 | 2,863 |
| Transaction with owners: | | | | | |
| Effect of warrants conversion | 3,056 | - | (1,100) | - | 1,956 |
| Effect of capital reduction | (21,500) | - | - | 21,500 | - |
| Effect of private placement | 12,477 | - | - | - | 12,477 |
| | (5,967) | - | (1,100) | 21,500 | 14,433 |
| Balance as at 30 September 2021 | 39,324 | 4,597 | 12,277 | 21,357 | 77,555 |

| | < ----- Non-distributable ----- > | | | Distributable | Total RM'000 |
|----------------------------------|-----------------------------------|---|--------------------|-------------------------------------|-----------------|
| | Share Capital | Foreign Exchange Translation Reserve | Warrant Reserve | Accumulated (Losses) / Profit | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Balance as at 1 January 2020 | 44,656 | 4,308 | 13,606 | (7,881) | 54,689 |
| Effect of warrants conversion | 51 | - | (19) | - | 32 |
| Net profit for the period | - | - | - | 4,610 | 4,610 |
| Currency translation differences | - | (25) | - | - | (25) |
| Balance as at 30 September 2020 | 44,707 | 4,283 | 13,587 | (3,271) | 59,306 |

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 30 September 2021

| | Year Ended 30-Sep-21 RM'000 | Year Ended 30-Sep-20 RM'000 |
|---|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| OPERATING ACTIVITIES | | |
| Profit before taxation | 2,359 | 5,393 |
| Adjustment for: | | |
| Depreciation | 193 | 188 |
| Finance costs | 308 | 318 |
| Finance income | (118) | (108) |
| Operating profit/(loss) before working capital changes | <u>2,742</u> | <u>5,791</u> |
| (Increase)/Decrease in Inventories | (4,863) | 5,718 |
| (Increase)/Decrease in trade receivables | 2,812 | (314) |
| (Increase)/Decrease in other receivables | (3,959) | 1,038 |
| (Decrease)/Increase in trade payables | (3,173) | 1,874 |
| (Decrease)/Increase in other payables | (1,378) | (712) |
| (Increase)/Decrease in contract Assets | <u>(13,751)</u> | <u>11,423</u> |
| Net cash generated from/(used in) operating activities | (21,570) | 24,818 |
| Interest paid | (308) | (318) |
| Interest received | 118 | 108 |
| Tax paid | <u>(639)</u> | <u>(519)</u> |
| | <u>(22,399)</u> | <u>24,089</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant & equipment | (339) | (13) |
| Net cash received / (used) in investing activities | <u>(339)</u> | <u>(13)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown / (Repayment) of bank borrowing (net) | - | (17,220) |
| Drawdown/(Repayment) of right of use assets | (163) | (149) |
| Proceed from issuance of share | 14,435 | 33 |
| Net cash generated / (used) from financing activities | <u>14,272</u> | <u>(17,336)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (8,466) | 6,740 |
| EFFECT ON TRANSLATION DIFFERENCES | (23) | (25) |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 15,122 | 10,833 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | <u>6,633</u> | <u>17,548</u> |
| Cash and cash equivalents comprise:- | | |
| Fixed deposit with licensed bank | 3,850 | 7,122 |
| Housing development accounts | 6,499 | 7,806 |
| Cash and bank balance | 114 | 2,620 |
| | <u>10,463</u> | <u>17,548</u> |
| Less: Fixed deposit pledged with licensed bank | <u>(3,830)</u> | <u>-</u> |
| | <u>6,633</u> | <u>17,548</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 30 September 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 Amendments to Standards:

| | | |
|--|---|----------------|
| Amendments to MFRS 16 | Covid-19-Related Rent Concessions | 1 April 2021 |
| MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 | 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 September 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 | Annual Improvements to MFRS Standards 2018 - 2020 | 1 January 2022 |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 | Classification of Liabilities as current or non-current | 1 January 2023 |
| Amendments to MFRS 108 | Presentation of Financial Statements | 2 January 2023 |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 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.

- For the quarter ended 30 September 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A6. Nature and Amount of Changes in Estimates

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

A7. Issuances or Repayment of Debt and Equity Securities

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

- (ii) 1,200,000 new ordinary shares were issued pursuant to the private placement at the issue price of RM0.27 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 30 September 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 |
| 30 September 2021 | | | | | | |
| Revenue | | | | | | |
| External customers | - | 33,072 | 86 | 33,158 | - | 33,158 |
| Inter-segment | - | 17,825 | - | 17,825 | (17,825) | - |
| Total revenue | - | 50,897 | 86 | 50,983 | (17,825) | 33,158 |
| Result | | | | | | |
| Interest income | - | 117 | 1 | 118 | - | 118 |
| Profit / (loss) before taxation | - | 1,879 | (756) | 1,123 | 1,236 | 2,359 |
| Taxation | - | (203) | (19) | (222) | - | (222) |
| Segment profit / (loss) | - | 1,676 | (775) | 901 | 1,236 | 2,137 |

| | 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 | - | 80,587 | 61,347 | 141,934 | (29,598) | 112,336 |

Including in the measurement of assets are:

| | | | | | | |
|----------------------------------|---|---|---|---|---|---|
| Capital expenditure relating to: | | | | | | |
| - property, plant and equipment | - | 3 | - | 3 | - | 3 |

Liabilities

| | | | | | | |
|---------------------|---|--------|--------|--------|---------|--------|
| Segment liabilities | - | 25,979 | 10,661 | 36,640 | (1,859) | 34,781 |
|---------------------|---|--------|--------|--------|---------|--------|

Other non-cash item

| | | | | | | |
|-----------------------------------|---|-------|-----|-------|---|-------|
| Depreciation of: | | | | | | |
| - properties, plant and equipment | - | (191) | (2) | (193) | - | (193) |
| - right of use assets | - | (157) | - | (157) | - | (157) |

- For the quarter ended 30 September 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 |
| 30 September 2020 | | | | | | |
| Revenue | | | | | | |
| External customers | - | 47,658 | 127 | 47,785 | - | 47,785 |
| Inter-segment | - | 27,810 | - | 27,810 | (27,810) | - |
| Total revenue | - | 75,468 | 127 | 75,595 | (27,810) | 47,785 |
| Result | | | | | | |
| Other incomes | - | 107 | - | 107 | - | 107 |
| Loss before taxation | - | 5,758 | (365) | 5,393 | - | 5,393 |
| Taxation | - | (766) | (17) | (783) | - | (783) |
| Segment profit / (loss) | - | 4,992 | (382) | 4,610 | - | 4,610 |
| Assets | | | | | | |
| Segment assets | - | 69,601 | 51,255 | 120,856 | (31,153) | 89,703 |
| Including in the measurement of assets are: | | | | | | |
| Capital expenditure relating to: | | | | | | |
| - property, plant and equipment | - | 7 | - | 7 | - | 7 |
| Liabilities | | | | | | |
| Segment liabilities | - | 35,604 | 6,782 | 42,386 | (11,989) | 30,397 |
| Other non-cash item | | | | | | |
| Depreciation of property, | | | | | | |
| - plant and equipment | - | (183) | (5) | (188) | - | (188) |
| - right of use assets | - | (148) | - | (148) | - | (148) |

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.

- For the quarter ended 30 September 2021

Part A – Explanatory Notes Pursuant to MFRS 134

A13. Capital Commitments

Provided for:

| | RM'000 |
|--|---------------|
| Fivestar Development (Puchong) Sdn Bhd | 11,731 |
| Mr Sit Yew Hing and Mr Loh Siew Jiann | 7,000 |
| | <u>18,731</u> |

Not provided for:

| | RM'000 |
|--|--------------|
| Encik Muhammad Shafiq Bin Jamuri and Encik Mohd Yusof Bin Abu Hassan | 4,750 |
| | <u>4,750</u> |

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

A14. Significant Events and Transactions

- a) As at 31 December 2020, 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.
- b) On 3 March 2021, Nagamas Venture Sdn Bhd, as subsidiary company of the Company had entered into a Share Sales and Purchase Agreement to purchase a Company Limpah Restu Sdn Bhd together with a piece of land for a piece of land measuring approximately 15.9966 acres be deemed to be suitable for the business of Private Cemetery, Crematorium and Columbarium for a total consideration of RM10 million.
- c) On 17 March 2021, Nagamas Bizworks Sdn Bhd, a subsidiary company of the Company had entered into a Share Sale and Purchase Agreement to purchase a Company Embon Global Development Sdn Bhd together with a reclamation rights from Melaka State Government for a total consideration of RM5.75 million.

- For the quarter ended 30 September 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 |
| | 30-Sep-21 RM'000 | 30-Sep-20 RM'000 | RM'000 | 30-Sep-21 RM'000 | 30-Sep-20 RM'000 | RM'000 |
| Revenue | 12,185 | 23,310 | (11,125) | 33,158 | 47,785 | (14,627) |
| Gross profit | 2,121 | 3,877 | (1,756) | 5,765 | 8,013 | (2,248) |
| Other incomes | 126 | (35) | 161 | 177 | 232 | (55) |
| Profit / (loss) before tax | 1,002 | 2,927 | (1,925) | 2,359 | 5,393 | (3,034) |
| Profit / (loss) after tax | 1,123 | 2,592 | (1,469) | 2,137 | 4,610 | (2,473) |

Performance of the current quarter against the same quarter in the preceding year.

The comparison between third quarter result, the Covid-19 causing revenue decreased from RM23.310 million to RM12.185 million and the profit before tax decreased from RM2.927 million to RM1,002 million. The decreased in revenue and profit before tax was due to government implemented total movement control order which had cause the closure of construction site.

For year to-date comparison, overall performance has been affected by Movement Control Order and Total Movement Control, the revenue and profit before tax has been decreased by RM14.627 million and RM3.034 million respectively.

B2. Comparison with Preceding Quarter's Results

| | Current Quarter | Immediate Preceding Quarter | Changes |
|----------------------------|---------------------|-----------------------------|---------|
| | 30-Sep-21 RM'000 | 30-Jun-21 RM'000 | RM'000 |
| Revenue | 12,185 | 9,160 | 3,025 |
| Gross profit | 2,121 | 1,656 | 465 |
| Profit / (loss) before tax | 1,002 | 791 | 211 |
| Profit / (loss) after tax | 1,123 | 649 | 474 |

The revenue for current quarter has increased by RM3.025 million and profit before tax increased by RM0.474 was due to pick up work after Total Movement Control and sales conversion.

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 30 September 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:-

| | 30-Sep-21 RM'000 | 30-Sep-20 RM'000 |
|-------------|-----------------------------------|-----------------------------------|
| Current tax | <u>222</u> | <u>783</u> |
| | <u>222</u> | <u>783</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

On 8 February 2021, the Board of Directors had received the approval from Bursa Securities Malaysia Berhad for the proposed establishment of a Share Issuance Scheme ("SIS") of up to 15% of the total number of issued shares of Jiankun (excluding Treasury Shares, if any) for eligible directors and employees of the Company and its subsidiaries ("Proposed SIS").

The board on 9 July 2021 announced the effective date for the implementation of the SIS and on 3 August 2021 the Company allocated 31,180,000 of SIS to its Employees. Neither Directors nor employees had exercised their rights to convert the SIS into shares of the Company.

B9. Group Borrowings

There was no bank borrowings for the quarter under review.

B10. Off Balance Sheet Financial Instruments

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

- For the quarter ended 30 September 2021

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

B11. Material Litigation

On 28 July 2021, Nagamas Venture Sdn. Bhd., a subsidiary company of Jiankun International Berhad filed the Writ of Summon and Statement of Claim was due to the fact Silverland Capital Sdn Bhd failed to settle an outstanding sum of RM4,430,000.00 which is a part of the Agreed Compensation sum that was agreed upon by the parties in view of the termination of the Project Delivery Agreement executed on 9 June 2012.

The Court has directed the company to file the Pre-trial Case Management by 14 February 2022.

The Company will make the necessary announcements to Bursa Securities as and when there are further developments in relation thereof and/or upon receipt of any further directions by the Court.

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

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 30-Sep-21 RM'000 | Preceding Year Quarter 30-Sep-20 RM'000 | Current Year To Date 30-Sep-21 RM'000 | Preceding Year To Date 30-Sep-20 RM'000 |
| Profit / (Loss) after tax | 1,123 | 2,592 | 2,137 | 4,610 |
| Number of ordinary shares issued as at 1 January | 166,845 | 166,845 | 166,845 | 166,845 |
| Effect of shares issuance | 28,953 | - | 28,953 | - |
| Weighted Average number of ordinary shares issued | 195,798 | 166,845 | 195,798 | 166,845 |
| Basic EPS (Sen) | 0.57 | 1.55 | 1.09 | 2.76 |

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|--|--|
| | Current Year Quarter 30-Sep-21 RM'000 | Preceding Year Quarter 30-Sep-20 RM'000 | Current Year To Date 30-Sep-21 RM'000 | Preceding Year To Date 30-Sep-20 RM'000 |
| Profit / (Loss) after tax | 1,123 | 2,592 | 2,137 | 4,610 |
| Weighted Average number of ordinary shares issued | 195,798 | 166,845 | 195,798 | 166,845 |
| Assume shares issued from full exercise of warrants | - | 75,587 | - | 75,587 |
| Adjusted Weighted Average number of ordinary shares issued | 195,798 | 242,432 | 195,798 | 242,432 |
| Diluted EPS (Sen) | 0.57 | 1.07 | 1.09 | 1.90 |

- For the quarter ended 30 September 2021

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

B13. Notes to the Statement of Comprehensive Income

| | Current Year Ended 30-Sep-21 RM'000 | Preceding Year Ended 30-Sep-20 RM'000 |
|---|--|--|
| Profit for the period is arrived at after charging: | | |
| Interest expenses | - | 8 |
| Depreciation and amortization | <u>193</u> | <u>188</u> |
| and after crediting: | | |
| Interest income | <u>118</u> | <u>108</u> |

B14. Realised and Unrealised Profits/Losses Disclosure

| | Current Year Ended 30-Sep-21 RM '000 | Preceding Year Ended 30-Sep-20 RM '000 |
|---------------------------------|---|---|
| Total realised losses | 15,504 | (12,234) |
| Total unrealised profits/(loss) | <u>6,304</u> | <u>6,304</u> |
| | 21,808 | (5,930) |
| Consolidated adjustment | (451) | 67 |
| Total accumulated profit/(loss) | <u>21,357</u> | <u>(5,863)</u> |

By Order of the Board

Date: 27 August 2021