

3. Significant Accounting Policies (Cont'd)

(j) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, associates and joint ventures, are assessed at each reporting date 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.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

3. Significant Accounting Policies (Cont'd)

(j) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset 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 reversal is recognised in profit or loss.

(k) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

Notes To The Financial Statements

31 December 2015 (Cont'd)

3. Significant Accounting Policies (Cont'd)

(l) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Some of the Group’s foreign subsidiary companies also make contributions to their respective countries’ statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(m) Revenue

(i) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the period.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Management fee

Management fee is recognised on accrual basis when services are rendered.

(v) Construction contracts

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(q) to the financial statements.

3. Significant Accounting Policies (Cont'd)

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(o) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Notes To The Financial Statements

31 December 2015 (Cont'd)

3. Significant Accounting Policies (Cont'd)

(o) Income taxes (cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(q) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

3. Significant Accounting Policies (Cont'd)

(q) Construction contracts (Cont'd)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

Notes To The Financial Statements

31 December 2015 (Cont'd)

4. Property, Plant and Equipment

	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Motor vehicle RM	Total RM
Group						
2015						
Cost						
At 1 January 2015	-	-	-	83,992	-	83,992
Additions	6,277	-	-	76,512	-	82,789
At 31 December 2015	6,277	-	-	160,504	-	166,781
Accumulated depreciation						
At 1 January 2015	-	-	-	81,140	-	81,140
Charge for the financial year	373	-	-	13,729	-	14,102
At 31 December 2015	373	-	-	94,869	-	95,242
Carrying amount						
At 31 December 2015	5,904	-	-	65,635	-	71,539

Notes To The Financial Statements

31 December 2015 (Cont'd)

4. Property, Plant and Equipment (Cont'd)

	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Motor vehicle RM	Total RM
Group						
2014						
Cost						
At 1 January 2014	155,536	11,720	26,205	89,873	413,321	696,655
Additions	2,129	-	-	4,500	-	6,629
Disposal	(131,616)	(3,800)	(5,010)	(2,699)	-	(143,125)
Written off	-	-	-	(2,999)	-	(2,999)
Deconsolidation of a subsidiary company	(26,049)	(7,920)	(21,195)	(4,683)	(413,321)	(473,168)
At 31 December 2014	-	-	-	83,992	-	83,992
Accumulated depreciation						
At 1 January 2014	74,770	6,496	15,014	86,522	68,887	251,689
Charge for the financial year	15,252	2,360	5,800	2,464	82,664	108,540
Disposal	(80,027)	(2,122)	(2,796)	(2,249)	-	(87,194)
Written off	-	-	-	(2,849)	-	(2,849)
Deconsolidation of a subsidiary company	(9,995)	(6,734)	(18,018)	(2,748)	(151,551)	(189,046)
At 31 December 2014	-	-	-	81,140	-	81,140
Carrying amount						
At 31 December 2014	-	-	-	2,852	-	2,852

Notes To The Financial Statements

31 December 2015 (Cont'd)

4. Property, Plant and Equipment (Cont'd)

	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Total RM
Company					
2015					
Cost					
At 1 January 2015	-	-	-	83,992	83,992
Additions	-	-	-	73,343	73,343
At 31 December 2015	-	-	-	157,335	157,335
Accumulated depreciation					
At 1 January 2015	-	-	-	81,140	81,140
Charge for the financial year	-	-	-	13,252	13,252
At 31 December 2015	-	-	-	94,392	94,392
Carrying amount					
At 31 December 2015	-	-	-	62,943	62,943

Notes To The Financial Statements

31 December 2015 (Cont'd)

4. Property, Plant and Equipment (Cont'd)

Company 2014	Furniture and office equipment RM	Electrical installation RM	Renovation RM	Computer and software RM	Total RM
Cost					
At 1 January 2014	130,566	3,800	5,010	87,190	226,566
Additions	1,050	-	-	2,500	3,550
Disposal	(131,616)	(3,800)	(5,010)	(2,699)	(143,125)
Written off	-	-	-	(2,999)	(2,999)
At 31 December 2014	-	-	-	83,992	83,992
Accumulated depreciation					
At 1 January 2014	67,281	1,742	2,295	83,842	155,160
Charge for the financial year	12,746	380	501	2,396	16,023
Disposal	(80,027)	(2,122)	(2,796)	(2,249)	(87,194)
Written off	-	-	-	(2,849)	(2,849)
At 31 December 2014	-	-	-	81,140	81,140
Carrying amount					
At 31 December 2014	-	-	-	2,852	2,852

Notes To The Financial Statements

31 December 2015 (Cont'd)

5. Goodwill

	Group	
	2015 RM	2014 RM
Cost		
At 1 January	68,195	69,455
Less: Deconsolidation of a subsidiary company	-	(1,260)
	<u>68,195</u>	<u>68,195</u>
Less: Allowance for impairment losses	<u>(68,195)</u>	<u>(68,195)</u>
At 31 December	<u>-</u>	<u>-</u>
Impairment loss		
At 1 January	68,195	69,455
Less: Deconsolidation of a subsidiary company	-	(1,260)
At 31 December	<u>68,195</u>	<u>68,195</u>

The recoverable amount of 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

	Group	
	2015 RM	2014 RM
At fair value		
At 1 January	22,211,741	20,812,663
Change in fair value recognised in profit or loss	(1,099,901)	50,243
Foreign currency translation differences	<u>5,011,887</u>	<u>1,348,835</u>
At 31 December	<u>26,123,727</u>	<u>22,211,741</u>

(a) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by Huizhou Huiyang Golden Land Realty Valuation Office, an independent qualified valuer. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Notes To The Financial Statements

31 December 2015 (Cont'd)

6. Investment Properties (Cont'd)

(a) Fair value basis of investment properties (Cont')

The fair value of the investment properties as at year end is RMB39,042,200 (2014: RMB39,042,200). The decrease in the fair values of RM1,099,901 (2014: increase RM50,243) was arising from the exchange differences.

(b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2015 RM	2014 RM
Rental income	7,063	-

7. Investment in Subsidiary Companies

	Company	
	2015 RM	2014 RM
In Malaysia		
At cost		
Unquoted shares, at cost	5,030,000	3,129,998
Less: Impairment Loss	(1,950,841)	(1,950,841)
	3,079,159	1,179,157
Outside Malaysia		
At cost		
Unquoted shares, at cost	8,997,800	8,997,800
Less: Impairment Loss	(434,800)	(434,800)
	8,563,000	8,563,000
	11,642,159	9,742,157

Details of the subsidiary companies are as follows:

Name of company	Country of Incorporation	Equity interest		Principal activities
		2015 %	2014 %	
Mas-Be Travel Services Sdn. Bhd.	Malaysia	100	100	Provision in travel, cargo handling and aviation -related business services

Notes To The Financial Statements

31 December 2015 (Cont'd)

7. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Country of Incorporation	Equity interest		Principal activities
		2015 %	2014 %	
Nagamas Aviation Services Sdn. Bhd.	Malaysia	100	100	Provision of management services for air cargo transportation and travel
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
JKI Construction Sdn. Bhd.	Malaysia	100	-	General contractor of and for all buildings
JKI Development Sdn. Bhd.	Malaysia	100	-	Conduct feasibility studies, project planning, project designs.
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

* *Subsidiary companies not audited by UHY*

(a) Acquisition of subsidiary companies

- (i) On 29 June 2015, the Company incorporated a 100% owned subsidiary company, JKI Construction Sdn. Bhd. ("JKIC"), with cash subscription of RM2.
- (ii) On 29 June 2015, the Company incorporated a 100% owned subsidiary company, JKI Development Sdn. Bhd. ("JKID") with cash subscription of RM2. On 24 August 2015, the Company has acquired additional 999,998 new ordinary shares of RM1.00 each in JKID, for a total cash consideration of RM999,998.

Notes To The Financial Statements

31 December 2015 (Cont'd)

7. Investment in Subsidiary Companies (Cont'd)

(a) Acquisition of subsidiary companies (Cont'd)

- (iii) On 24 July 2015, the Company has acquired additional 900,000 new ordinary shares of RM1.00 each in Nagamas Bizworks Sdn Bhd, a wholly-owned subsidiary company of the Company for a total cash consideration of RM900,000.

8. Property Development Costs

	Group	
	2015 RM	2014 RM
As at 1 January		
- freehold land, at cost	-	4,073,000
- development cost	-	3,094,109
	<u>-</u>	<u>7,167,109</u>
Cost incurred during the financial year:		
- freehold land, at cost	22,500,000	-
- development cost	845,073	5,404,246
- deconsolidation of a subsidiary company	-	(12,571,355)
	<u>23,345,073</u>	<u>(7,167,109)</u>
As at 31 December	<u>23,345,073</u>	<u>-</u>
Comprising:		
- freehold land, at cost	22,500,000	-
- development cost	845,073	-
	<u>23,345,073</u>	<u>-</u>
Cost recognised in the profit or loss:		
- prior financial years	-	(2,861,156)
- current financial year	-	(2,815,626)
- deconsolidation of a subsidiary company	-	5,676,782
	<u>-</u>	<u>-</u>
	<u>23,345,073</u>	<u>-</u>

The freehold land is pledged to licensed banks as security for credit facilities granted to a subsidiary company as disclosed in Note 16.

Notes To The Financial Statements

31 December 2015 (Cont'd)

9. Amount due from contract customer

	Group	
	2015 RM	2014 RM
Construction contract costs incurred to date	7,553,326	-
Attributable profits	3,186,502	-
	<u>10,739,828</u>	<u>-</u>
Less: Progress billings	<u>(10,739,828)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Presented as:		
Amount due from contract customer	<u>-</u>	<u>-</u>
Retention sums on contracts (included in trade receivables)	<u>1,073,983</u>	<u>-</u>

10. Trade Receivables

	Group	
	2015 RM	2014 RM
Trade receivables	6,899,331	1,069,877
Less: Discount on settlement	-	(777,816)
	<u>6,899,331</u>	<u>292,061</u>
Less: Accumulated impairment	<u>(292,061)</u>	<u>(292,061)</u>
	<u>6,607,270</u>	<u>-</u>

Trade receivables are non-interest bearing and are generally on 21 to 90 days (2014: 21 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2015 RM	2014 RM
At 1 January	292,061	269,294
Impairment losses recognised	-	22,767
At 31 December	<u>292,061</u>	<u>292,061</u>

Notes To The Financial Statements

31 December 2015 (Cont'd)

10. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing as at the end of the financial year is as follow:

	Group	
	2015 RM	2014 RM
Neither past due nor impair	2,029,811	-
Past due not impaired:		
Less than 30 days	3,287,851	-
31 to 60 days	61,870	-
61 to 90 days	607,400	-
more than 90 days	620,338	-
	4,577,459	-
	6,607,270	-
Impaired	292,061	292,061
	6,899,331	292,061

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2015, trade receivables of RM4,577,459 (2014: RMNil) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM292,061 (2014: RM292,061) respectively, related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

11. Other Receivables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	1,549,426	4,895,162	448,267	445,162
Less: Discount on settlement	-	(22,184)	-	-
Less: Accumulated impairment losses	(20,000)	(20,000)	-	-
	1,529,426	4,852,978	448,267	445,162
Deposits	12,153,144	38,500	38,500	38,500
Prepayments	526,233	-	10,797	-
	14,208,803	4,891,478	497,564	483,662

Notes To The Financial Statements

31 December 2015 (Cont'd)

11. Other Receivables (Cont'd)

Movements in the allowance for impairment losses of other receivables are as follows:

	2015	2014	2015	2014
	RM	RM	RM	RM
At 1 January	20,000	1,306,239	-	222,078
Amount written off		(1,286,239)		(222,078)
At 31 December	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>

12. Amount Due from / (to) Subsidiary Companies

	Company	
	2015	2014
	RM	RM
Amount due from subsidiary companies	22,777,399	5,735,670
Less: Accumulated impairment losses	<u>(839,931)</u>	<u>(839,931)</u>
	<u>21,937,468</u>	<u>4,895,739</u>
Amount due to a subsidiary company	<u>151,104</u>	<u>187,276</u>

Amount due from / (to) subsidiary companies with non-interest bearing are unsecured and repayable on demand.

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2015	2014
	RM	RM
At 1 January/ 31 December	<u>839,931</u>	<u>839,931</u>

13. Fixed Deposits with Licensed Banks

The fixed deposits of the Group amounting to RM2,057,768 (2014: RMNil) has been pledged with licensed banks as securities for credit facilities granted to subsidiaries as disclosed in Note 16.

The interest rates and maturities of the fixed deposits is 3.15% (2014: 2.85% to 3.15%) per annum and 365 days (2014: 30 to 365 days), respectively.

Notes To The Financial Statements

31 December 2015 (Cont'd)

14. Share Capital

	Group and Company	
	2015 RM	2014 RM
Ordinary shares of RM0.25 each:		
Authorised		
At 1 January	100,000,000	100,000,000
Par value reduction	-	(75,000,000)
	<u>100,000,000</u>	<u>25,000,000</u>
Created during the financial year	-	75,000,000
At 31 December	<u>100,000,000</u>	<u>100,000,000</u>
Ordinary shares issued and fully paid:		
At 1 January	37,919,380	50,895,000
Par value reduction	-	(38,171,250)
	<u>37,919,380</u>	<u>12,723,750</u>
Share issued during the financial year	-	25,195,630
At 31 December	<u>37,919,380</u>	<u>37,919,380</u>

In the previous financial year, the par value of the authorised share capital has been reduced from RM1.00 to RM0.25 per share and increase the authorised share capital from 100,000,000 shares to 400,000,000 shares of RM0.25 each.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

15. Reserves

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Capital reserve	2,792,663	2,792,663	2,792,663	2,792,663
Warrant reserve	13,605,640	13,605,640	13,605,640	13,605,640
Foreign currency translation reserve	5,172,947	1,215,731	-	-
Accumulated losses	(11,382,958)	(10,728,244)	(17,640,678)	(16,845,330)
	<u>10,188,292</u>	<u>6,885,790</u>	<u>(1,242,375)</u>	<u>(447,027)</u>

Notes To The Financial Statements

31 December 2015 (Cont'd)

15. Reserves (Cont'd)

The nature of reserves of the Group and the Company is as follows:

(a) Capital reserve

The capital reserve arose from the completed par value reduction exercise and is not distributable by way of dividends.

(b) Warrant reserve

On 24 December 2014, 75,586,889 units of warrants 2014/2021 were issued for free by the Company to the subscribers of the rights issue of the Company's ordinary shares. The warrants are constituted by a deed poll dated 2 December 2014. The warrants were listed on Bursa Malaysia on 31 December 2014. During the financial year, no share has been issued pursuant to the exercise of the warrants.

Salient features of the warrants are as follows:

- (i) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one (1) new ordinary share of RM0.25 in the Company at the exercise price of RM0.32 per ordinary share.
- (ii) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital by the Company in accordance with the conditions provided in the deed poll.
- (iii) The warrants shall be exercisable at any time within the period commencing on and including the date of issue on 24 December 2014 of the warrants and ending on the date preceding the seventh anniversary of the date of issue of the warrants.
- (iv) Upon exercise of the warrants into new ordinary shares, such shall rank *pari passu* in all respects with the existing shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the warrants are exercised or any interim dividend declared prior to the date of exercise of the warrants.
- (v) At the expiry of the exercise period, any warrants which have not been exercised will lapse and cease to be valid for any purpose.

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes To The Financial Statements

31 December 2015 (Cont'd)

16. Bank Borrowings

	Group	
	2015 RM	2014 RM
Secured		
Term loans	15,750,000	-
Non-current		
Term loans	15,750,000	-

(a) The term loans include the following:

RM15,750,000 term loan repayable at the 25th month from the first drawdown date on 26 October 2015 at a monthly instalment of RM875,000.

(b) The term loan is secured by the following:

(i) Freehold land under property development (Note 8)

(ii) Corporate guarantee by the Company

(iii) Jointly and severally guaranteed by directors of the Company

(iv) Pledged of fixed deposits with licensed banks of the Group as mentioned in Note 13;

(c) The term loan bear an average effective interest rates per annum at rates 6.85% (2014: Nil) per annum.

17. Deferred Tax Liabilities

	Group	
	2015 RM	2014 RM
At 1 January	4,695,144	4,385,726
Recognised in profit or loss	(549,050)	25,122
Translation difference	1,026,849	284,296
At 31 December	5,172,943	4,695,144

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

Notes To The Financial Statements

31 December 2015 (Cont'd)

18. Trade Payables

Credit terms of trade payables of the Group ranged from 30 to 45 days (2014: 30 to 45 days) depending on the terms of the contracts.

19. Other Payables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	1,044,526	1,487,555	93,352	1,456,836
Accruals	161,537	144,989	39,649	33,390
	<u>1,206,063</u>	<u>1,632,544</u>	<u>133,001</u>	<u>1,490,226</u>

20. Amount Due to Directors

Amount due to Directors represent advances with non-interest bearing are unsecured and repayable on demand.

21. Revenue

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Project management and advisory	716,529	-	-	-
Property development and construction	10,739,828	-	-	-
Property management and investment holding	-	-	1,410,000	-
	<u>11,456,357</u>	<u>-</u>	<u>1,410,000</u>	<u>-</u>

Notes To The Financial Statements

31 December 2015 (Cont'd)

22. Cost of Sales

	Group	
	2015 RM	2014 RM
Property development and construction	9,105,172	-

23. Other income

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Gain in fair value (Note 6)	-	50,243	-	-
Gain on disposal of a subsidiary company	-	2,483,516	-	-
Interest income	292,400	-	292,400	-
Waiver of liabilities	526,117	-	526,117	-
Others	8,519	2,000	-	-
	<u>827,036</u>	<u>2,535,759</u>	<u>818,517</u>	<u>-</u>

Waiver of liability relates to waiver of debts due to Nagamas Land Development Sdn. Bhd., a former subsidiary company of the Group which has been disposed off on 31 December 2014.

24. Loss before tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Auditors' remuneration				
- Current year provision	88,756	61,865	25,500	25,500
- Under provision in prior year	20,247	-	18,481	-
- non-audit services	-	33,000	-	33,000
Deposits written off	-	41,816	-	41,816
Depreciation of property, plant and equipment	14,102	108,540	13,252	16,023

Notes To The Financial Statements

31 December 2015 (Cont'd)

24. Loss before tax (Cont'd)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Discount settlement				
- Trade receivable	-	777,816	-	-
- Other receivable	-	22,184	-	-
Fair value adjustment on investment property	1,099,901	(50,243)	-	-
Impairment loss on receivables	-	22,767	-	-
Interest income	(292,400)	-	(292,400)	-
Loss on disposal of				
- Property, plant and equipment	-	35,931	-	35,931
- Subsidiary company	-	-	-	700,000
Non-executive Directors' remuneration				
- Fees	86,000	96,000	86,000	96,000
- Other emoluments	9,000	-	9,000	-
Property, plant and equipment written off	-	150	-	150
Rental income	(7,063)	-	-	-
Rental of premises	189,563	41,940	185,132	24,740
Waiver of liability	(526,117)	-	(526,117)	-

25. Taxation

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Tax expenses recognised in profit or loss				
Deferred tax (Note 17)				
Origination and reversal of temporary differences	(549,950)	25,122	-	-

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Notes To The Financial Statements

31 December 2015 (Cont'd)

25. Taxation (Cont'd)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM4,756,600 (2014: RM5,739,200) and RM67,300 (2014: RM40,900) respectively carried forward, available for set-off against future taxable profit.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Loss before taxation:				
- From continuing operations	(1,204,664)	(937,549)	(795,348)	(3,239,690)
- From discontinuing operations	-	(1,029,913)	-	-
	<u>(1,204,664)</u>	<u>(1,967,462)</u>	<u>(795,348)</u>	<u>(3,239,690)</u>
At Malaysian statutory tax rate of 25% (2014: 25%)	(301,200)	(491,865)	(198,800)	(809,923)
Effects of different tax rates in other jurisdictions	(171,575)	(5,289)	-	-
	<u>(472,775)</u>	<u>(497,154)</u>	<u>(198,800)</u>	<u>(809,923)</u>
Expenses not deductible for tax purposes	444,700	168,976	154,200	163,411
Fair value adjustment on investment properties	(274,975)	12,606	-	-
Income not subject to tax	-	(249,613)	-	-
Deferred tax assets not recognised during the financial year	80,900	582,501	44,600	645,086
Utilisation of previously unrecognised deferred tax assets	(327,800)	6,380	-	-
Others	-	1,426	-	1,426
	<u>(549,950)</u>	<u>25,122</u>	<u>-</u>	<u>-</u>

Notes To The Financial Statements

31 December 2015 (Cont'd)

26. Loss Per Share

(a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2015	2014
	RM	RM
Loss attributable to owners of the parent		
- from continuing operations	(654,714)	(962,671)
- from discontinued operations	-	(1,029,913)
Loss attributable to owners of the parent for basic earnings	<u>(654,714)</u>	<u>(1,992,584)</u>
Weighted average number of ordinary shares in issue (in thousands of shares)		
Issued ordinary shares at 1 January	151,677,520	50,895,000
Effect of ordinary shares issued during the financial year	-	2,208,932
Weighted average number of ordinary shares at 31 December	<u>151,677,520</u>	<u>53,103,932</u>
Basic earnings per ordinary shares (in sen)		
- from continuing operations	(0.43)	(1.81)
- from discontinued operations	-	(1.94)

(b) Diluted loss per share

The Group has no dilution in its earnings per ordinary share as the exercise price of the warrants has exceeded the average market price of ordinary shares during the financial year, the options do not have any dilutive effect on the weighted average number of ordinary shares.

Notes To The Financial Statements

31 December 2015 (Cont'd)

27. Staff costs

	Group and Company	
	2015	2014
	RM	RM
Salaries and other emoluments	1,476,624	1,425,240
Social contribution plan	6,473	3,274
Defined contribution plan	94,545	79,461
Other benefits	10,050	5,426
	<u>1,587,692</u>	<u>1,513,401</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group and Company	
	2015	2014
	RM	RM
Executive Directors		
<u>Existing Directors of the Company</u>		
Salaries and other emoluments	830,923	585,000
Social contribution plan	1,240	-
Defined contribution plan	41,544	21,600
	<u>873,707</u>	<u>606,600</u>

28. Related Party Disclosures

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

Notes To The Financial Statements

31 December 2015 (Cont'd)

28. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 12 and 20 to the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(i) Transactions with subsidiary companies				
- Management fee income	-	-	1,410,000	-
(ii) Transactions with companies in which the Directors of the Company have substantial financial interest				
- Project management services income	716,529	-	-	-
- Construction revenue	10,739,828			
- Rental expenses on premises	-	26,200	-	9,000
	<u>-</u>	<u>26,200</u>	<u>-</u>	<u>9,000</u>

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group and Company	
	2015 RM	2014 RM
Salaries and other emoluments	839,923	585,000
Social contribution plan	1,240	-
Fees	86,000	96,000
Defined contribution plan	41,544	21,600
	<u>968,707</u>	<u>702,600</u>

29. Segment Information

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

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

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

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

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

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

Notes To The Financial Statements

31 December 2015 (Cont'd)

29. Segment Information (Cont'd)

Group	Project management and advisory RM	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Total operations RM
2015						
Revenue						
External customers	716,529	10,739,828	-	11,456,357	-	11,456,357
Inter-segment	-	-	1,410,000	1,410,000	(1,410,000)	-
Total revenue	716,529	10,739,828	1,410,000	12,866,357	(1,410,000)	11,456,357
Result						
Interest income	-	-	292,400	292,400	-	292,400
Fair value on investment property	-	-	(1,099,901)	(1,099,901)	-	(1,099,901)
Profit before taxation	716,529	10,739,828	602,499	12,058,856	(1,410,000)	10,648,856
Taxation	-	-	549,950	549,950	-	549,950
Segment profit	716,529	10,739,828	1,152,449	12,608,806	(1,410,000)	11,198,806
Assets						
Capital expenditure	-	23,345,073	-	23,345,073	-	23,345,073
Segment assets	784,793	20,527,238	29,565,208	50,877,239	-	50,877,239
Total assets	784,793	43,872,311	29,565,208	74,222,312	-	74,222,312

Notes To The Financial Statements

31 December 2015 (Cont'd)

29. Segment Information (Cont'd)

Group	Project management and advisory RM	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Total operations RM
2015						
Liabilities						
Segment liabilities	307,465	20,423,661	5,383,514	26,114,640	-	26,114,640
Other non-cash item						
Depreciation of property, plant and equipment	-	-	(14,102)	(14,102)	-	(14,102)
Waiver of liability	-	-	526,117	526,117	-	526,117

Notes To The Financial Statements

31 December 2015 (Cont'd)

29. Segment Information (Cont'd)

Group	Project management and advisory RM	Property and investment holdings RM	Total segments RM	Discontinued operation RM	Total operations RM
2014					
Revenue					
Consolidated revenue	-	-	-	3,168,399	3,168,399
Results					
Results before the following adjustments	(8,166)	(1,224,478)	(1,232,644)	102,331	(1,130,313)
Gain in fair value	-	50,243	50,243	-	50,243
Gain in disposal of a subsidiary company	-	2,483,516	2,483,516	-	2,483,516
Depreciation	-	(16,023)	(16,023)	(92,517)	(108,540)
Directors' remuneration	-	(702,600)	(702,600)	(175,000)	(877,600)
Staff costs	-	(697,274)	(697,274)	(172,678)	(869,952)
Allowance for impairment loss on receivables	(22,767)	-	(22,767)	-	(22,767)
Discount on settlement	-	(800,000)	(800,000)	-	(800,000)
Provision for late delivery damages	-	-	-	(514,679)	(514,679)
Finance costs	-	-	-	(177,370)	(177,370)
Loss before taxation	(30,933)	(906,616)	(937,549)	(1,029,913)	(1,967,462)
Taxation	-	(25,122)	(25,122)	-	(25,122)
Segment loss	(30,933)	(931,738)	(962,671)	(1,029,913)	(1,992,584)

Notes To The Financial Statements

31 December 2015 (Cont'd)

29. Segment Information (Cont'd)

Group	Services RM	Property and investment holdings RM	Group RM	Discontinued operation RM	Total operations RM
2014					
Assets					
Consolidated total assets	49	52,310,567	52,310,616	-	52,310,616
Liabilities					
Segment liabilities	287,412	2,522,890	2,810,302	-	2,810,302
Consolidated total liabilities	-	4,695,144	4,695,144	-	4,695,144
Total liabilities	287,412	7,218,034	7,505,446	-	7,505,446
Other segment items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	-	3,550	3,550	3,079	6,629

Notes To The Financial Statements

31 December 2015 (Cont'd)

29. Segment Information (Cont'd)

Geographic information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Revenue		Non-current assets	
	2015 RM	2014 RM	2015 RM	2014 RM
Continuing operations				
- Malaysia	11,456,357	-	71,539	2,852
- People's Republic of China	-	-	26,123,727	22,211,741
	<u>11,456,357</u>	<u>-</u>	<u>26,195,266</u>	<u>22,214,593</u>
Discontinued operation				
- Malaysia	-	3,168,399	-	-
	<u>11,456,357</u>	<u>3,168,399</u>	<u>26,195,266</u>	<u>22,214,593</u>

Major customers

Group revenue is not subjected to any major customer (2014: Nil).

Notes To The Financial Statements

31 December 2015 (Cont'd)

30. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Group			
Financial Assets			
2015			
Trade receivables	6,607,270	-	6,607,270
Other receivables	13,682,570	-	13,682,570
Fixed deposit with licence bank	2,057,768		2,057,768
Cash and bank balances	1,808,132		1,808,132
	<u>24,155,740</u>	-	<u>24,155,740</u>
2014			
Other receivables	4,891,478	-	4,891,478
Cash and bank balances	25,204,545	-	25,204,545
	<u>30,096,023</u>	-	<u>30,096,023</u>
Financial liabilities			
2015			
Bank borrowings	-	15,750,000	15,750,000
Trade payables	-	3,985,634	3,985,634
Other payables	-	1,206,063	1,206,063
	-	<u>20,941,697</u>	<u>20,941,697</u>
2014			
Other payables	-	1,632,544	1,632,544
Amount due to directors	-	1,177,758	1,177,758
	-	<u>2,810,302</u>	<u>2,810,302</u>

Notes To The Financial Statements

31 December 2015 (Cont'd)

30. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Company			
Financial Assets			
2015			
Other receivables	486,767	-	486,767
Amount due from subsidiary companies	21,937,468	-	21,937,468
Fixed deposit with licence bank	2,057,768	-	2,057,768
Cash and bank balances	763,208	-	763,208
	<u>25,245,211</u>	<u>-</u>	<u>25,245,211</u>
2014			
Other receivables	483,662	-	483,662
Amount due from subsidiary companies	4,895,739	-	4,895,739
Fixed deposit with licence bank	-	-	-
Cash and bank balances	25,203,203	-	25,203,203
	<u>30,582,604</u>	<u>-</u>	<u>30,582,604</u>
Financial liabilities			
2015			
Other payables	-	133,001	133,001
Amount due to a subsidiary company	-	151,104	151,104
	<u>-</u>	<u>284,105</u>	<u>284,105</u>
2014			
Other payables	-	1,490,226	1,490,226
Amount due to a subsidiary company	-	187,276	187,276
Amount due to directors	-	1,177,758	1,177,758
	<u>-</u>	<u>2,855,260</u>	<u>2,855,260</u>

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit, liquidity foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for banking facilities. The Company's maximum exposure in this respect is RM15,750,000 (2014: RMNil), representing the outstanding banking facilities as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

Notes To The Financial Statements

31 December 2015 (Cont'd)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2015						
<u>Non-derivative</u>						
<u>Financial liabilities</u>						
Trade payables	3,985,634	-	-	-	3,985,634	3,985,634
Other payables	1,206,063	-	-	-	1,206,063	1,206,063
Bank borrowing	-	2,879,734	13,724,375	-	16,604,109	15,750,000
	5,191,697	2,879,734	13,724,375	-	21,795,806	20,941,697
2014						
<u>Non-derivative</u>						
<u>Financial liabilities</u>						
Other payables	1,632,544	-	-	-	1,632,544	1,632,544
Amount due to directors	1,177,758	-	-	-	1,177,758	1,177,758
	2,810,302	-	-	-	2,810,302	2,810,302

Notes To The Financial Statements

31 December 2015 (Cont'd)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2015						
<u>Non-derivative</u>						
<u>Financial liabilities</u>	133,001	-	-	-	133,001	133,001
Other payables	151,104	-	-	-	151,104	151,104
Amount due to a subsidiary company	284,105	-	-	-	284,105	284,105
2014						
<u>Non-derivative</u>						
<u>Financial liabilities</u>	1,490,226	-	-	-	1,490,226	1,490,226
Other payables	187,276	-	-	-	187,276	187,276
Amount due to a subsidiary company	1,177,758	-	-	-	1,177,758	1,177,758
Amount due to directors	2,855,260	-	-	-	2,855,260	2,855,260

Notes To The Financial Statements

31 December 2015 (Cont'd)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

a) Foreign currency risk

The Group's exposure to foreign currency risk is minimal.

b) Interest rate risks

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed rate instrument				
Fixed deposits with licensed banks	2,057,768	-	2,057,768	-
Floating rate instrument				
Term loan	15,750,000	-	-	-

Notes To The Financial Statements

31 December 2015 (Cont'd)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risks (Cont'd)

b) Interest rate risks (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased / (decreased) the Group' profit before tax by RM157,500 (2014: RMNil) respectively, arising mainly as a result of lower / higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Carrying amount RM
	Level 1	Level 2	Level 3	
	RM	RM	RM	
Group 2015				
Term loan	-	12,830,769	-	15,750,000

30. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

31. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

Notes To The Financial Statements

31 December 2015 (Cont'd)

31. Capital Management (Cont'd)

	Group	
	2015	2014
	RM	RM
Total loans and borrowings	15,750,000	-
Less: Cash and cash equivalents	(3,865,900)	(25,204,545)
Net debts	<u>11,884,100</u>	<u>(25,204,545)</u>
Total equity	<u>48,107,672</u>	<u>44,805,170</u>
Gearing ratio (times)	<u>0.25</u>	<u>N/A[#]</u>

The gearing ratio is not applicable as there is no borrowing obligation as at 31 December 2014.

There were no changes in the Group's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirements.

32. Significant Events During the Financial Year

- (a) On 20 March 2015, the Company, via its wholly-owned subsidiary company, Nagamas Venture Sdn. Bhd., accepted a letter of award from Juara Gred Development Sdn. Bhd. for main building and external works of the construction of 28 units of 3-storey semi-detached factories for a provisional contract sum of RM32,922,000. In conjunction with the award, the Company proposes to undertake a proposed diversification of the business of the Company and its subsidiary companies to include construction. Pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, in view of the interest of certain directors and substantial shareholder, the award is deemed to be a related party transaction.
- (b) On 6 April 2015, Nagamas Bizworks Sdn. Bhd., a wholly-owned subsidiary company of the Company had entered into a conditional Sales and Purchase Agreement with Bison Ventures Sdn. Bhd. for the proposed acquisition of 93 freehold vacant subdivided plot for an aggregate consideration of RM22,500,000. This transaction has been completed during the financial year and the freehold land has been capitalised to property development cost.

32. Significant Events During the Financial Year (Cont'd)

- (c) On 28 July 2015, JKI has entered into a Joint Venture Agreement with Fivestar Development (Puchong) Sdn. Bhd. ("FDPSB") to develop a piece of freehold land owned by FDPSB into a new development comprising of inter alia three hundred seventy seven (377) units of service apartments together with facilities, amenities and infrastructure. The estimated total gross development cost of the project is RM147,200,000.00 inclusive of FDPSB entitlement.

33. Material Litigation

On 3 November 2015, the Company received a sealed Writ dated 27 October 2015 and Statement of Claim dated 21 October 2015 respectively ("the Writ") from Megaharta Real Estate Sdn Bhd and Hartanah Realty ("Plaintiffs") claiming that the Company has failed to settle the outstanding sum of RM848,000 for the professional services provided by the Plaintiffs as the real estate broker for the Company. The court has fixed the first hearing on 18 April 2016.

34. Comparative Figures

The financial statements of the Company for the financial year ended 31 December 2014 were audited by another firm of chartered accountants.

35. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 7 April 2016.

Notes To The Financial Statements

31 December 2015 (Cont'd)

36. Supplementary information on the disclosure of realised and unrealised profits or losses

The following analysis of realised and unrealised accumulated losses of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiary companies				
- Realised	(19,270,258)	(20,193,244)	(6,827,701)	(6,032,353)
- Unrealised	4,864,169	6,441,869	(10,812,977)	(10,812,977)
	<u>(14,406,089)</u>	<u>(13,751,375)</u>	<u>(17,640,678)</u>	<u>(16,845,330)</u>
Add : Consolidation adjustments	3,023,131	3,023,131	-	-
Total retained earnings	<u>(11,382,958)</u>	<u>(10,728,244)</u>	<u>(17,640,678)</u>	<u>(16,845,330)</u>

Properties of the Group as at 31 December 2015

Location	Description, Built-Up Area & Usage	Age of Building	Tenure	Net Book Value (RM)	Date of Revaluation (Acquisition Date)
Unit No. 3, 4, 5 & 6 on Level 1 and Unit No. 2, 3, 4, 5, 6 & 7 on Level 2 of Block 1 (Long Xian Ge) and Unit No. 2 & 3 on Level 1 and Unit No. 3 & 4 on Level 2 of Block 2 (Long He Ge), Dragon Mall, Danshui, Bai Yun 2nd Road, Huiyang District, Huizhou City, Guangdong Province, the People's Republic of China	The properties comprise 14 shops in two buildings completed in 2010 The properties have a total gross floor area of approximately 1,467.39 m ² The properties are partial rented	4 years	The land use rights were granted for a term of 70 years commencing from 1 December 2004 until 1 December 2074 for commercial and residential uses	26,123,728	26 November 2015/ 29 December 2009
H.S. (D) 153315 to 153407 PT No. 71831 to 71923 Mukim Kajang, Daerach Ulu Langat, Negeri Selangor	Proposed residential development	N/A	Freehold	22,500,000	6 April 2015

Analysis Of Shareholdings

As At 24 March 2016

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00 divided into 400,000,000 ordinary shares
Issued and Paid-up Capital	:	RM37,919,379.75 comprising of 151,677,519 ordinary shares
Class of Shares	:	Ordinary Shares of RM0.25 each
Voting Rights	:	One vote for each ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	Number of Holders	%	Number of Shares	%
1 - 99	79	3.073	3,150	0.002
100 - 1,000	1,231	47.898	670,954	0.442
1,001 - 10,000	688	26.770	2,939,211	1.937
10,001 - 100,000	442	17.198	15,800,375	10.417
100,001 to less than 5% of issued shares	128	4.980	100,881,379	66.510
5% and above of issued shares	2	0.077	31,382,450	20.690
Total	2,570	100.00	151,677,519	100.00

SUBSTANTIAL SHAREHOLDERS

(per Register of Substantial Shareholders)

Name	No. of Ordinary Shares of RM0.25 each held			
	Direct	%	Indirect	%
FS Motorsports Sdn. Bhd.	16,882,450	11.130	-	-
Foong Kah Heng	7,530,000	4.96	16,882,450 [#]	11.13 [#]
Dato' Ir Lim Siang Chai	15,500,000	10.21	1,570,000 [@]	1.035 [@]

Notes:-

[#] Deemed interest through FS Motorsports Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.

[@] Deemed interest through Advance Information Marketing Berhad by virtue of Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS

(per Register of Directors' Shareholdings)

Name	No. of Ordinary Shares of RM0.25 each held			
	Direct	%	Indirect	%
Dato' Ir Lim Siang Chai	15,500,000	10.21	1,570,000 [@]	1.035 [@]
Foong Kah Heng	7,530,000	4.96	16,882,450 [#]	11.13 [#]
Lee Leong Kui	-	-	-	-
Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman	-	-	-	-
Fathi Ridzuan Bin Ahmad Fauzi	-	-	-	-
Kamil Bin Abdul Rahman	-	-	-	-
Chan Fook Mun	-	-	-	-

Notes:-

[#] Deemed interest through FS Motorsports Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.

[@] Deemed interest through Advance Information Marketing Berhad by virtue of Section 6A of the Companies Act, 1965.

Analysis Of Shareholdings

As At 24 March 2016 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(According to the Record of Depository As At 24 March 2016)

No.	Name	No. of Shares Held	%
1	FS MOTORSPORTS SDN. BHD.	16,882,450	11.130
2	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' IR LIM SIANG CHAI (MARGIN)	14,500,000	9.559
3	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FOONG KAH HENG (001)	7,530,000	4.964
4	CHAN SIUT HAR	7,050,000	4.648
5	YIP KUM FOOK	6,037,900	3.980
6	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHUAH LEE HONG (CEB)	5,602,500	3.693
7	KOH WEE HOW	5,240,000	3.454
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHUA LEE HUAT (CEB)	4,537,800	2.991
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG SWEE PEI (6000078)	3,439,800	2.267
10	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM TWEE YONG	3,138,000	2.068
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE SUE WEN (6000052)	2,812,500	1.854
12	GERBANG MODEN SDN. BHD.	2,630,100	1.734
13	LIM LEE TOOK	2,610,100	1.720
14	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR SHAM CHEW FOONG (MY0398)	2,276,000	1.500
15	TEOW CHEE CHOW	1,797,500	1.185
16	TENG BEE LING	1,791,600	1.181
17	WONG THIEW WAH	1,579,900	1.041
18	ADVANCE INFORMATION MARKETING BERHAD	1,570,000	1.035
19	M & A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FONG KIAH YEOW (M&A)	1,550,000	1.021
20	SHAM CHEW FOONG	1,540,000	1.015
21	CHUA LEE YONG @ BETTY CHUA	1,520,000	1.002
22	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN PENG LAM	1,413,400	0.931

Analysis Of Shareholdings

As At 24 March 2016 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(According to the Record of Depository As At 24 March 2016) (Cont'd)

No.	Name	No. of Shares Held	%
23	WONG KICHIN	1,245,000	0.820
24	WONG THIEW WAH	1,200,000	0.791
25	ANG HUAT KEAT	1,178,500	0.776
26	YIP JIUN HANN	1,133,000	0.746
27	TAN LIK HOUE	1,038,000	0.684
28	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' IR LIM SIANG CHAI	1,000,000	0.659
29	TAN BAN LEONG	1,000,000	0.659
30	SHARIFAH ASIAH BINTI SYED AZIZ BAFTIM	910,050	0.599
Total		105,754,100	69.722

ANALYSIS OF WARRANTS HOLDINGS AS AT 24 MARCH 2016

Issued Size : 75,586,889 detachable warrants issued pursuant to the Rights Issue with 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) right shares subscribed

Number of Warrants Holders : 479

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 24 MARCH 2016

Size of Holding warrants	No. of warrants	% of warrants holders	No. of holders	% of warrants
1 – 99	9	1.878	466	0.000
100 - 1,000	49	10.229	28,933	0.038
1,001 - 10,000	157	32.776	610,826	0.808
10,001 - 100,000	168	35.073	7,785,690	10.300
100,001 - Less than 5% of Issued Warrants	94	19.624	53,515,237	70.799
5% and above of Issued Warrants	2	0.417	13,645,737	18.053
Total	479	100.00	75,586,889	100.00

Analysis Of Shareholdings

As At 24 March 2016 (Cont'd)

DIRECTORS' INTERESTS IN WARRANTS AS AT 24 MARCH 2016

No.	Name of Director	No. of Warrants held		No. of Warrants held	
		Direct	%	Indirect	%
1	Dato' Ir Lim Siang Chai	2,750,000	3.64	-	-
2	Foong Kah Heng	3,765,000	4.98	9,661,837*	12.78*
3	Lee Leong Kui	-	-	-	-
4	Tan Sri Dato' (Dr) Abdul Aziz Bin Abdul Rahman	-	-	-	-
5	Kamil Bin Abdul Rahman	-	-	-	-
6	Fathi Ridzuan Bin Ahmad Fauzi	-	-	-	-
7	Chan Fook Mun	-	-	-	-

* Deemed interest through FS Motorsports Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.

LIST OF TOP 30 LARGEST WARRANTS HOLDERS AS AT 24 MARCH 2016

(According to the Record of Depository As At 24 March 2016)

No.	Name	No. of Warrants Held	%
1	FS MOTORSPORTS SDN. BHD.	9,661,837	12.782
2	WONG THIEW WAH	3,983,900	5.270
3	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FOONG KAH HENG (001)	3,765,000	4.981
4	CHAN SIUT HAR	3,525,000	4.663
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHUAH LEE HONG (CEB)	2,801,250	3.705
6	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' IR LIM SIANG CHAI (MARGIN)	2,750,000	3.638
7	KOH WEE HOW	2,640,000	3.492
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHUA LEE HUAT (CEB)	2,268,900	3.001
9	PANG KIM LOON	2,252,700	2.980
10	GERBANG MODEN SDN. BHD.	2,006,400	2.654
11	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW JEAT GHEE	1,860,400	2.461
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG SWEE PEI (6000078)	1,719,900	2.275
13	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG AI LING (CCTS)	1,506,000	1.992
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE SUE WEN (6000052)	1,406,250	1.860
15	LEE BOON KOON	1,138,000	1.505

Analysis Of Shareholdings

As At 24 March 2016 (Cont'd)

LIST OF TOP 30 LARGEST WARRANTS HOLDERS AS AT 24 MARCH 2016

(According to the Record of Depository As At 24 March 2016) (Cont'd)

No.	Name	No. of Warrants Held	%
16	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR SHAM CHEW FOONG (MY0398)	1,113,000	1.472
17	SAW GUAT NGOH	710,000	0.939
18	PE TIN FAT	700,000	0.926
19	YOW CHIT WAH	700,000	0.926
20	GAN KIAN SEN	670,300	0.886
21	KWOK TONG LENG	630,000	0.833
22	HO THEN BENG	569,500	0.753
23	SHAM CHEW FOONG	565,000	0.747
24	POON BOON GUAN	553,000	0.731
25	KAN WING HOONG	530,300	0.701
26	LOW YEN CHIH	508,200	0.672
27	NG CHUA BEE	500,000	0.661
28	GOH LENG PEOW	450,000	0.595
29	LAI MING CHUN @ LAI POH LIN	450,000	0.595
30	CHUA HEE HOEY	442,500	0.585
	Total	52,377,337	69.294

Notice Of Thirty-Second Annual General Meeting

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

NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second (32nd) Annual General Meeting (“AGM”) of Jiankun International Berhad (“the Company”) will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 23 May 2016 at 11.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To approve the payment of Directors’ Fees for the financial year ended 31 December 2015. *Resolution 1*
3. To re-elect the following Director who retire pursuant to Article 88 of the Company’s Articles of Association and being eligible, have offered themselves for re-election:-
 - i) Foong Kah Heng *Resolution 2*
 - ii) Dato’ Ir Lim Siang Chai *Resolution 3*
4. To re-elect the following Directors who retire pursuant to Article 95 of the Company’s Articles of Association and being eligible, has offered himself for re-election:
 - i) Chan Fook Mun *Resolution 4*
5. To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. *Resolution 5*

6. AS SPECIAL BUSINESS

To consider and if thought fit, with or without modifications to pass the following Resolutions:-

ORDINARY RESOLUTION

- **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** *Resolution 6*

“**THAT** subject to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percentage (10%) of the issued and paid up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

Notice Of Thirty-Second Annual General Meeting

(Cont'd)

7. To transact any other ordinary business for which due notice have been given.

BY ORDER OF THE BOARD

Tan Tong Lang (MAICSA 7045482)
Chong Voon Wah (MAICSA 7055003)
Company Secretaries

Kuala Lumpur
Dated: 29 April 2016

Explanatory Notes to Ordinary and Special Business:-

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this item is not put forward for voting.

2. Authority pursuant to Section 132D of the Companies Act, 1965

The Proposed adoption of the Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot new shares at any time to such persons, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Previous Mandate granted by the shareholders had not been utilized and hence no proceed was raised therefrom.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

3. Tan Sri Abdul Aziz who retires in accordance with section 129(6) of the Companies Act, 1965 has expressed his intention not to seek re-appointment as Director of the Company. Hence, he will retain officer until the close of the Thirty-Second (32nd) Annual General Meeting.

Notice Of Thirty-Second Annual General Meeting

(Cont'd)

Notes:

- 1. In respect of deposited securities, only members whose names appear in the record of depositors on 18 May 2016 shall be eligible to attend the meeting.*
- 2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- 3. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
- 4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- 6. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Share Registrar of the Company, Tricor Investor Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding this meeting or any adjournment thereof.*

Tan Sri Abdul Aziz who retires in accordance with section 129(6) of the Companies Act, 1965 has expressed his intention not to seek re-appointment as Director of the Company. Hence, he will retain officer until the close of the Thirty-Second (32nd) Annual General Meeting.

STATEMENT ACCOMPANYING THE NOTICE OF THE THIRTY-FIRST ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of Bursa Malaysia Berhad's Main Market Listing Requirements)

Further details of Directors who are standing for re-appointment and re-election as Directors

The profiles of the Directors who are standing for re-appointment and re-election at the Thirty-Second (32nd) Annual General Meeting are set out in the Profile of Directors on pages 9 to 12 of the Annual Report.

No individual other than the retiring Directors are seeking appointment and election as a Director at the Thirty-Second (32nd) Annual General Meeting.

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

FORM OF PROXY

I/We,NRIC/Company No.
(Full name in block letters)

of
(Full address)

being a member(s) of JIANKUN INTERNATIONAL BERHAD hereby appoint (Proxy 1)
.....(*NRIC No./Passport No.) of
.....and* failing him/her * (Proxy 2)
.....(*NRIC No./Passport No.....)

of.....and* failing him/her *, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Second (32nd) Annual General Meeting (“AGM”) of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 23 May 2016 at 11.00 a.m. and at any adjournment thereof.

The proportion of my/our holding to be represented by my/our proxies are as follows:

First Proxy (1) _____ %

Second Proxy (2) _____ %

My/Our proxy is to vote as indicated below:-

Resolutions	Subject	For	Against
1	To approve the payment of Directors’ Fees for the financial year ended 31 December 2015.		
2	To re-elect Mr Foong Kah who is retiring pursuant to Article 88 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
3	To re-elect Dato’ Ir Lim Siang Chai who is retiring pursuant to Article 88 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
4	To re-elect Mr Chan Fook Mun who is retiring pursuant to Article 95 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
5	To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
6	As Special Business Ordinary Resolution Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Please indicate with an “X” in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy/proxies will vote or abstain from voting on the resolution at his/her discretion.

Dated this _____ day of _____ 2016

No. of Shares held	
CDS Account No.	
Tel No. (during office hours)	

Signature of shareholder(s)
or Common Seal

Notes:-

- In respect of deposited securities, only members whose names appear in the record of depositors on 18 May 2016 shall be eligible to attend the meeting.
- A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Share Registrar of the Company, Tricor Investor Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding this meeting or any adjournment thereof.



Tricor Investor Services Sdn Bhd
The Share Registrar of
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Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,
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