

**Company Name** : JIANKUN INTERNATIONAL BERHAD  
**Stock Name** : JIANKUN  
**Date Announced** : 16 JUNE 2022  
**Type** : ANNOUNCEMENT  
**Subject** : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)  
RELATED PARTY TRANSACTIONS  
**Description** : JIANKUN INTERNATIONAL BERHAD (“JKI” OR “THE COMPANY”)  
- JOINT VENTURE AGREEMENT BETWEEN JKI, MENARA REZEKI SDN BHD AND MENARA REZEKI PROPERTIES SDN. BHD.

## 1. INTRODUCTION

The Board of Directors of Jiankun International Berhad (“JKI” or “the Company”) wishes to announce that JKI has on 16 June 2022 entered into Joint Venture Agreement (“JVA”) with Menara Rezeki Sdn. Bhd. (“MRSB”) (“collectively referred to as the “Parties”), utilizing a company known as Menara Rezeki Properties Sdn. Bhd. (“MRPSB”) as a joint venture company (“JVC”) for the purpose of developing a project known as mixed residential and retail development (“Proposed Joint Venture”) comprising of Phase 1, Phase 2 and Phase 3 or by such name as approved by the relevant authorities, comprising all the properties for the phases based on the proposed layout plan (“Project”) on the following leasehold lands:

- a. the seven (7) plots of leasehold lands held under Master Title(s) (i) Pajakan Negeri 47467, Lot 3351 Seksyen 41; (ii) Pajakan Negeri 47468, Lot 3352 Seksyen 41; (iii) Pajakan Negeri 47469, Lot 3353 Seksyen 41, (iv) Pajakan Negeri 47470, Lot 3354 Seksyen 41; (v) Pajakan Negeri 47471, Lot 3355 Seksyen 41; (vi) Pajakan Negeri 47473, Lot 3356 Seksyen 41; and (vii) Pajakan Negeri 47474, Lot 3357 Seksyen 41, all in Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur comprising of Two Hundred and Fifty Two (252) stratified units of flat owned by Two Hundred and Fifty Two (252) separate individual/entity registered/beneficial owners (collectively, “Owners’ Land”) with the category of land use stated as “Bangunan” and the express condition of title stated as “Pangsapuri”;
- b. the three (3) plots of lands highlighted in pink in **Appendix 3** described as Lot 3358, Lot 3360 and Lot 3361 which are reserved for a public purpose all in Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur collectively owned by Dewan Bandaraya Kuala Lumpur as registered owner (collectively, “DBKL Land”); and
- c. the one (1) plot of land highlighted in green in **Appendix 3** described as Lot 3359 in Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur collectively owned by Majlis Agama Islam Wilayah Persekutuan (“MAIWP Land”).

(collectively, hereinafter referred to as the “Said Land”).

The purpose of JVA is to set out the mutually agreed rights, duties, liabilities and obligations vis-à-vis each other in relation to the operation of the MRPSB as a joint venture between the Parties on a 70:30 basis.

As provided in the JVA, JKI and MRSB have concurrently entered into a share sale agreement (“**JKI-MRSB SSA**”) for the acquisition of 700,000 ordinary shares in MRPSB (“**Sales Shares**”) for a total consideration of RM700,000.00, on the terms set out in the JKI-MRSB SSA (“**the Acquisition**”).

## 2. INFORMATION ON MRSB

MRSB was incorporated in Malaysia under the Companies Act, 1965 on 29th January 2002 and registered under the Companies Act, 2016. The principal activity of MRSB is in construction activities. The issued share capital of MRSB is RM7,000,000.00 comprising of 7,000,000 ordinary shares.

The Shareholders and Directors of MRSB are Dato’ Saiful Nizam bin Mohd Yusoff and Muhammad Akmal Bin Saiful Nizam, while the shareholding of MRSB are as below:

Shareholders	No. of Shares held	%
Dato’ Saiful Nizam Bin Mohd Yusoff	6,999,999	99.999
Muhammad Akmal Bin Saiful Nizam	1	0.001
<b>Total</b>	<b>7,000,000</b>	<b>100.000</b>

Dato’ Saiful Nizam Bin Mohd Yusoff is also a shareholder and executive director of JKI.

## 3. INFORMATION ON MRPSB BEING THE JVC

MRPSB was incorporated in Malaysia under the Companies Act, 1965 on 2nd January 2011 and registered under the Companies Act, 2016. The principal activity of MRPSB is in construction activities. The issued share capital of MRPSB is RM1,000,000.00 comprising of 1,000,000 ordinary shares.

The current directors of MRPSB are Dato’ Saiful Nizam Bin Mohd Yusoff and Muhammad Akmal Bin Saiful Nizam, while the shareholders and shareholding of MRPSB before JKI- MRSB SSA are as below:

Shareholders	No. of Shares held	%
MRSB	1,000,000	100
<b>Total</b>	<b>1,000,000</b>	<b>100.000</b>

## 4. DETAILS OF SHAREHOLDING IN THE PROPOSED JOINT VENTURE

The mechanism of the Proposed Joint Venture involves the transfer of 700,000 ordinary shares in MRPSB from the existing shareholder of MRPSB being MRSB to JKI at a price of RM1.00 per ordinary share for a total acquisition price of RM700,000 only (“Acquisition Price”). Upon completion of the Acquisition, the shareholding structure of MRPSB shall be as follows:

Parties	Equity Proportions
JKI	70%
MRSB	30%
<b>Total</b>	<b>100%</b>

## **4.1 Salient Terms and Conditions of the JVA**

The words and abbreviations used throughout this section of the Announcement shall have the same meaning as defined in the JVA unless the context otherwise requires or defined herein. The salient terms and conditions of the JVA include, among others, the following:

### **4.1.1 Condition Precedence**

The JVA shall only be enforceable and valid upon the execution of the JKI-MRSB SSA and delivery of a Personal Guarantee executed by Dato' Saiful Nizam Bin Mohd Yusoff to JKI.

### **4.1.2 Shareholding ratio**

Upon completion of the Acquisition via JKI-MRSB SSA, the shares in MRPSB shall be in proportions of 70% hold by JKI and 30% hold by MRSB.

### **4.1.3 Business and objectives of the Proposed Joint Venture**

The sole purpose and business of the Joint Venture shall be to carry out all aspects of the development of the Project on the Said Land which would include but not be limited to construction, development, sales and marketing of the properties developed on the Said Land.

### **4.1.4 Provision of Advances**

JKI have agreed to advance total of RM14,300,000-00 for the Project in accordance to the manner set out in the JVA.

### **4.1.5 Funding of the Project**

JKI shall, in the consultation with MRSB, ensure and where applicable to ensure that:

- all the necessary funding and securities are obtained and secured by MRPSB in a timely manner to finance and carry out the entire development, construction, procurement, advertising, marketing and completion of the Project;
- MRPSB shall have sufficient funds to cause the Main Contractor and all subcontractors, consultants, professional advisers, service providers and marketing agents to perform all its obligations under their respective appointments in connection with the development, construction, procurement completion, sales and marketing of the Project; and
- MRPSB obtains financing for the general working capital, administration and project management of the development of the Project.

#### **4.1.6 Board of the JVC**

The Board shall consist of a maximum of four (4) Directors including the Chairman. Two (2) Directors to be nominated by MRSB (“MRSB Director”) and two (2) Directors to be nominated by JKI (“JKI Director”) in accordance with the provisions of Board of JVC.

#### **4.2 Funding**

JKI will fund the shares sale consideration through internally generated funds. The Project will be funded in the combination of internal generated fund, fund raising exercise and bank borrowing. The quantum has yet to be determined at this juncture.

#### **5. RATIONALE FOR THE PROPOSED JOINT VENTURE**

The Proposed Joint Venture is consistent with JKI’s objective of seeking various strategic alliances and joint ventures for synergistic benefits and the Proposed Joint Venture is expected to pave the way for future collaboration between JKI Group, MRSB and MRPSB.

#### **6. EFFECTS OF THE PROPOSED JOINT VENTURE**

The Proposed Joint Venture has no effect on the share capital and substantial shareholders’ shareholdings of JKI. The Proposed Joint Venture is not expected to have a material effect on the earnings per share, net assets per share and gearing of JKI Group for the financial year ending 31 December 2022.

Barring any unforeseen circumstances, the Proposed Joint Venture is expected to contribute positively to JKI Group’s consolidated profit, earnings per share, net assets per share and gearing in the future, when the Proposed Joint Venture is commenced and the JVC generate profit.

At the point of signing the Agreements, the final Gross Development Value and Gross Development cost yet to confirm.

#### **7. PROSPECTS AND RISK FACTORS**

The Proposed Joint Venture is intended to enable the Parties to combine their skills, expertise, experience and capabilities. JKI does not foresee any exceptional risk other than operational risk associated with the Proposed Joint Venture which are similar to the operational risks that JKI is already accustomed to. Hence the Board believes that the experience and expertise of its management team will enable the Group to mitigate these risks effectively.

#### **8. APPROVALS REQUIRED**

The Proposed Joint Venture does not require the approval of JKI’s shareholders or any regulatory authorities. The Proposed Joint Venture is also not conditional upon any corporate proposal/exercise of JKI.

**9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSON CONNECTED WITH THEM**

Save for Dato' Saiful Nizam Bin Mohd Yusoff being the shareholder of both JKI and MRSB and as an Executive Director of JKI, and also director in MRSB and MRSB, none of the other Directors of JKI or any person connected with them have any interest, whether direct and/or indirect, in the Proposed Joint Venture and the share sale.

**10. DIRECTORS' STATEMENT**

After having considered all aspects of the Proposed Joint Venture, the Board (save for Dato' Saiful Nizam Bin Mohd Yusoff who has abstained from deliberation and voting on the Proposed Joint Venture by virtue of his interest as set out under paragraph 9 above) is of the opinion that the Proposed Joint Venture is in the best interest of JKI Group.

**11. EXPECTED TIME FRAME FOR COMPLETION**

The Share Sale is expected to be completed in 3th quarter of 2022. Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Joint Venture is expected to be completed by 2<sup>nd</sup> quarter 2023.

**12. PERCENTAGE RATIO**

Based on the audited financial statements of JKI for the financial year ended 31 December 2021, the highest percentage ratio applicable to the Share Sale pursuant to rule 10.02 (g)(vii) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 1%.

The higher percentage of the Proposed Joint Venture is yet to determine due to final estimate GDV and GDC has not been confirmed.

The Board will update the shareholder for the development of Proposed Joint Venture in future.

This announcement is dated 16 June 2022.