



Date: 22 June 2026

Badan Pengawas Pemegang Saham Minoriti Berhad
23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail,
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Email: mwatch@mSWG.org.my

Dear Sir,

41st ANNUAL GENERAL MEETING ("AGM") OF JIANKUN INTERNATIONAL BERHAD ("JIANKUN" OR "THE COMPANY" OR "THE GROUP") TO BE HELD ON TUESDAY, 23 JUNE 2026

The Board of Directors of Jiankun International Berhad ("Jiankun" or "the Company") would like to thank the Minority Shareholders Watch Group ("MSWG") for its continued engagement and for the questions raised in advance of the Company's 41st AGM. The Board is pleased to provide the following responses.

A. OPERATIONAL AND FINANCIAL MATTERS

Question 1(a)

Despite management's cost control initiatives, losses remain high. Which specific cost components remain unresolved, and what further cost reduction initiatives are being implemented to address them?

Response:

The Group's loss position in FY2025 was primarily attributable to lower revenue recognition arising from the limited number of active projects, overhead costs associated with maintaining operational capabilities, impairment-related expenses and provisions, as well as financing and compliance costs.

Management continues to implement measures to improve operational efficiency, including rationalisation of administrative expenses, tighter monitoring of project costs, optimisation of manpower deployment, and strengthening procurement controls. The Group is also actively pursuing new projects and recurring income opportunities to improve capacity utilisation and spread fixed costs over a larger revenue base.

Jiankun International Berhad

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Question 1(b)

Please disclose all development and construction projects that are currently loss-making. Do any of these projects remain at a negative gross margin even after completion or handover?

Response:

The Group continuously reviews the profitability of its projects and recognises foreseeable losses in accordance with applicable accounting standards. Certain projects experienced margin compression due to changes in project scope, cost escalation and timing-related factors.

As these projects are subject to commercial sensitivities and ongoing contractual obligations, the Company is unable to disclose project-specific profitability details publicly. Nevertheless, the Board confirms that appropriate provisions have been recognised where required and that completed projects have been assessed based on their final cost outcomes.

Question 1(c)

Does the Board consider the Group's current business model to be financially sustainable, and what is the minimum revenue level required to achieve breakeven?

Response:

The Board remains of the view that the Group's business model is sustainable, subject to the successful replenishment of its order book in trading of construction material and starting of Melaka land banks and effective execution of its strategic initiatives. The Group continues to focus on strengthening its core competencies in property development and construction while exploring opportunities that can provide more stable earnings.

Based on the Group's current cost structure, management estimates that annual revenue in the range of approximately RM10 million to RM15 million would be required to achieve operational breakeven (exclude any unforeseen contingency provision). This estimate is subject to the nature and profit margin of projects undertaken.

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Question 2(a)

If property market conditions in China continue to weaken, does the Board expect further downward revaluation losses on the Group's investment properties?

Response:

The fair value of the Group's investment properties is assessed annually by independent professional valuers. Future valuation movements will depend on prevailing market conditions, comparable market transactions and the performance of the underlying assets. Should market conditions deteriorate further, additional fair value adjustments cannot be ruled out. However, any improvements in China market, there will be a positive impact to our profit and loss.

Question 2(b)

Have there been any recent regulatory or permitting changes affecting its China operations or investment properties, and what is their estimated financial or operational impact?

Response:

The Group has not encountered any material regulatory or permitting changes that have had a significant impact on its China investment properties during the financial year under review. The Group continues to monitor developments closely and engage local advisers to ensure compliance with applicable regulations.

Question 2(c)

What is the current occupancy rate of the China investment properties compared with FY2024, and does the Board expect any near-term improvement?

Response:

As at the date of this response, the Group's China investment properties remain vacant consistent with the previous year. The Board expects leasing demand to remain challenging in the near term but will continue efforts to improve occupancy through active tenant engagement.

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Question 2(d)

Has the Board evaluated the potential disposal of the China assets?

Response:

The Board periodically reviews the strategic fit and performance of all assets within the Group's portfolio. While no definitive decision has been made regarding the disposal of the China investment properties, the Board remains open to options that may enhance shareholder value, including monetisation opportunities should market conditions be favourable.

Question 3(a)

Could the Board explain the rationale for the three-tranche private placement structure and decreasing issuance prices?

Response:

The private placement was implemented in accordance with the mandate approved by shareholders and prevailing market conditions at the respective dates of issuance. The varying issue prices reflected the prescribed pricing mechanism under the relevant regulatory requirements and prevailing market prices during each tranche.

While the Board recognises the dilutive effect of the placement, it considered the exercise necessary to provide funding flexibility and support the Group's working capital requirements without increasing borrowings.

Question 3(b)

Please provide a detailed breakdown of the utilisation of the RM1.835 million allocated as working capital.

Response:

The proceeds utilised for working capital were mainly applied towards the Group's day-to-day operational requirements, including staff-related expenses, professional fees, office and administrative expenses, statutory compliance costs, project-related operating expenditures and other general corporate purposes.

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Question 3(c)

Was the utilisation of proceeds within a shorter period than the stated 12 months in line with the intended plan?

Response:

The utilisation of proceeds was undertaken based on the Group's operational requirements and cash flow needs. The earlier utilisation reflected the immediate funding requirements of the Group. On a standalone basis, the proceeds provided short-term support to ongoing operations and enabled the Group to meet its working capital commitments during the period.

Question 4(a)

What is the legal and financial assessment of the RM4.9 million counterclaim?

Response:

The Group's external solicitors have advised that the counterclaim is supported by factual and legal grounds. However, as the matter remains before the Court, the outcome cannot be determined with certainty at this stage. Accordingly, the Board is unable to comment further so as not to prejudice the Group's legal position.

Question 4(b)

Please update the current total estimated liability exposure.

Response:

As the proceedings are ongoing, the total exposure remains subject to the Court's determination and may include principal sums claimed, legal costs and any applicable interest. The Company continues to assess the matter together with its legal advisers and will make the appropriate disclosures in accordance with applicable regulatory requirements.

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Question 4(c)

How prepared is the Board to meet an adverse Court decision?

Response:

The Board is mindful of the potential financial implications arising from the litigation and continues to evaluate available options to preserve the Group's financial flexibility. These include operational cash flow generation, asset monetisation initiatives, capital raising exercises and other funding alternatives, if required.

B. CORPORATE GOVERNANCE MATTERS

Question 1(a)

Could the Nomination Committee clarify how the Bursa Malaysia reprimand and fine imposed on Mr. Edwin were assessed under the Company's fit and proper framework?

Response:

The Nomination Committee is of the view that the execution of duties by Mr. Edwin Silvester Das as Executive Director/Chief Executive Officer since joining Jiankun has been very professional, prudent and has high integrity in discharging his duties. His position as Independent Director in Zen Tech International Berhad and was not involved in the day to day operations.

Question 1(b)

How did the Nomination Committee justify its conclusion that the reprimand and fine do not significantly affect the Director's suitability?

Response:

In arriving at its recommendation, the Nomination Committee took into account that the regulatory action did not involve fraud, dishonesty or personal enrichment. The Committee was satisfied that the Director had demonstrated commitment to improving governance practices and that the incident did not materially impair his ability to discharge his duties effectively and in the best interests of the Company.

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Question 2(a)

Why did the Board allow the director's attendance issue to persist until his office was automatically vacated?

Response:

The Board acknowledges the concerns raised regarding the attendance record of the former director. The automatic vacation of office occurred pursuant to the Listing Requirements. Following this development, the Board has strengthened its monitoring processes and engagement with directors to ensure attendance expectations and commitments are clearly communicated and addressed promptly.

Question 2(b)

How has the Board improved its selection, re-election and performance evaluation processes?

Response:

The Nomination Committee has enhanced its evaluation framework by placing greater emphasis on directors' commitment, availability, attendance and overall contribution. The Board remains committed to maintaining high standards of corporate governance and ensuring that only individuals who can devote sufficient time and attention are recommended for appointments or re-election.

The Board appreciates MSWG's constructive feedback and values the opportunity to engage with shareholders and stakeholders. The above responses will be presented to shareholders at the forthcoming 41st AGM.

By Order of the Board

JIANKUN INTERNATIONAL BERHAD


Edwin Silvester Das
Executive Director/Chief Executive Officer



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