

**SPRITZER BHD
JOINT VENTURE AGREEMENT BETWEEN SPRITZER DEVELOPMENT SDN BHD AND
KNP DEVELOPMENT SDN BHD TO JOINTLY DEVELOP A PIECE OF LAND IN LARUT
MATANG, NEGERI PERAK**

1. INTRODUCTION

The Board of Spritzer Bhd (“Spritzer” or “Company”) wishes to inform that Spritzer Development Sdn Bhd (“SDev” or “Developer”), a wholly-owned subsidiary of the Company has on 8 February 2024 signed a Joint Venture Agreement (“JVA”) with KNP Development Sdn Bhd (“KNP” or “Landowner”) for the Developer to develop a piece of land held under H.S.(D) 143949, PT 11778, Mukim Pengkalan Aor, Daerah Larut Matang, Negeri Perak measuring approximately 23788.9702 square metres (5.78 acres) (“Land”), into a housing development project to build residential houses (“Buildings”) at the Developer’s own costs and expenses in accordance with the plans as the local authorities may approve (“Project”) and subject to and upon the terms and conditions contained in the JVA.

2. INFORMATION OF THE PARTIES

(i) SDev

SDev was incorporated in Malaysia 6 January 2021 as a private limited company and is having its total issued share capital of RM20,000.00 comprising 20,000 ordinary shares. SDev is a wholly-owned subsidiary company of Spritzer Bhd. The principal business activity of SDev is property development.

(ii) KNP

KNP was incorporated in Malaysia on 21 July 2011 as a private limited company and is having its total issued share capital of RM500,000.00 comprising 500,000 ordinary shares. The principal business activity of KNP is civil engineering constructing and investment holdings.

3. SALIENT TERMS OF THE JVA

The salient terms of the JVA include, amongst others, the following:

KNP’s Entitlement

- (i) In consideration of KNP providing the Land to the Developer for the purpose of the Project, the Landowner shall be entitled to fifteen per centum (15%) of the sale proceeds of the Buildings to be built thereon on the Land (“Landowner’s Entitlement”).
- (ii) The Developer shall pay to the Landowner a sum of RM278,251.20 only being the non-refundable deposit upon the execution of the JVA.
- (iii) The Developer shall pay a sum of RM2,200,000.00 only as advanced payment (“Advanced Payment”) to the Landowner within three (3) months from the date of the JVA for the Landowner to defray some of its expenses which, among others, include paying the premium to the Land Registry, Perak.
- (iv) The Landowner’s Entitlement shall only be paid by the Developer to the Landowner progressively based on the actual collection of progressive claims from the end-purchasers on a monthly basis. In the event the sale proceeds collected for the Landowner’s Entitlement shall be lower than the Advanced Payment, the Landowner undertakes to refund to the Developer such excess sum paid by the Developer towards the Landowner’s Entitlement.

SDev's Entitlement

- (i) SDev shall be entitled to the rest of the sale proceeds of the sold Buildings and the unsold Buildings built under the Project.
- (ii) Upon the full satisfaction of the Landowner's Entitlement, SDev shall be the absolute beneficial owner of the Land or any part of the Land held under any the sub-divided individual titles which has not been sold and the Landowner shall only hold the aforesaid titles as bare trustee in favour of the Developer.
- (iii) The Developer shall also be entitled to exercise its power under the Power of Attorney granted by the Landowner, to transfer all the titles of the unsold units to the Developer and/or its nominee upon the full satisfaction of the Landowner's Entitlement.
- (iv) The Developer shall be entitled at its own costs and expenses to lodge private caveats against the Land.

4. RATIONALE FOR THE JV

This joint venture not only presents a good opportunity for SDev to establish a foothold in the property development industry but also provides a distinct advantage in navigating the complexities inherent to the industry.

5. FINANCIAL EFFECTS

The JVA will not have any material effect on the net assets, earnings, gearing, shareholding structure and substantial shareholders' shareholdings of the Spritzer Group for the financial year ending 31 December 2024.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Spritzer and/or persons connected with them has any interest, direct or indirect, in the JVA.

7. APPROVAL REQUIREMENT

The JVA is not subject to the approval of the shareholders of the Company.

This announcement is dated 8 February 2024.