



**ASPEN (GROUP) HOLDINGS LIMITED**  
Company Registration No.: 201634750K  
(Incorporated in the Republic of Singapore)

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**RELEASE OF PRESS STATEMENT: CLARIFICATION ON ASPEN'S LAND PURCHASE  
FROM PENANG DEVELOPMENT CORPORATION FOR ASPEN VISION CITY IN 2014**

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The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**” and together with its subsidiaries, “**Aspen**”) refers to the news article by The Edge Malaysia titled “Penang Chinese Chamber of Commerce questions PDC’s sale of 559-acre land to Umech Construction at ‘below market’ price” on 3 October 2023 (the “**Article**”).

The last paragraph of the Article stated that:

*“Chow also cited instances of direct land negotiations as common practice, citing examples such as Aspen Group’s acquisition of a 245-acre land and Paramount Property Sdn Bhd’s purchase of land for the construction of a university.”*

The Board wishes to inform that Aspen has released a press statement titled “Clarification on Aspen’s Land Purchase From Penang Development Corporation For Aspen Vision City In 2014” dated 7 October 2023 (“**Press Statement**”) to provide clarification in relation to the last paragraph of the Article. A copy of the Press Statement is appended herewith for reference.

**BY ORDER OF THE BOARD**

Aspen (Group) Holdings Limited

Dato’ Murly Manokharan  
President and Group Chief Executive Officer  
10 October 2023

7 October 2023

## **PRESS STATEMENT: CLARIFICATION ON ASPEN'S LAND PURCHASE FROM PENANG DEVELOPMENT CORPORATION FOR ASPEN VISION CITY IN 2014**

George Town, Penang – It has come to our attention that there was a statement in the press linking Aspen's direct negotiation for the acquisition of land in Bandar Cassia, Batu Kawan, which was made 10 years ago in 2013, to the current Penang Development Corporation's (PDC) land sale in Batu Kawan Industrial Park 2 (BKIP2).

Aspen wishes to clarify that the direct negotiation between PDC and Aspen back in 2013 was vastly different, and under varied circumstances.

Dato' M. Murly, the President and Group CEO of Aspen said, it is not reasonable nor logical to compare the direct negotiation between Aspen and PDC in 2013 and linking the recent land sale of BKIP2, which fundamentally differs.

"In 2013, the Batu Kawan land was a swampy area devoid of any development or proper infrastructure, and the construction of the Penang Second Bridge was still underway. At that time, the state administration and PDC were eager to develop Batu Kawan and envisioned Batu Kawan as the third satellite city of Penang. However, due to its undeveloped condition, finding interested developers or investors was a significant challenge. PDC was actively seeking a commercial catalyst that can bring in business opportunities for Batu Kawan, specifically the IKEA store, as a key commercial catalyst.

Aspen, in collaboration with Ikano Retail (the franchisee of IKEA) as its joint venture partner engaged in negotiations with the state government and PDC in 2013 and since then became the pioneer developer in Batu Kawan. The necessity of direct negotiation arose because they were not required to participate in any tender exercise as there were no direct or indirect competitors available for PDC to compare if an open tender were initiated with an IKEA store being the mandatory requirement. The negotiations focused specifically on the IKEA store serving as the catalyst, along with an integrated shopping centre and a mixed-use development comprising residential, commercial, and other mixed-use components on a 245-acre land in Bandar Cassia, which is now Aspen Vision City (AVC)," as quoted by Dato' M. Murly.

Aspen acquired the land at the then prevailing market price, equivalent to the average rate of RM45 per square foot for a total consideration of RM483,951,600 (245 acres) in 2014 compared to BKIP2 that was reportedly sold at RM26.53 per square foot for a total consideration of RM646,020,000 (558.96 acres) in 2023. As part of the negotiation with PDC, Aspen was obligated to develop the land in partnership with its joint venture partner. Furthermore, under the Purchase and Development Agreement (PDA) with PDC, Aspen was restricted from disposing the land without the consent of PDC, including any other catalyst developments within AVC, such as Columbia Asia Hospital, currently under construction, which required the prior approval from PDC, to which Aspen duly complied and obtained the necessary approvals from PDC. Aspen was also restricted from changing its shareholding structure without the consent of PDC and has not changed its shareholding structure to this day.

Furthermore, Aspen did not flip the land or sell the shares of the company to any third parties. Aspen is headquartered in Penang and the majority shareholders and directors are locals. 99% Of Aspen's employees are based in Penang and they contribute to the economic growth and wellbeing of the state. More importantly, Aspen as the pioneer investor has fulfilled PDC's aspirations to build a more resilient economic growth for the state especially the Seberang Perai district and contributes immensely to the accelerated growth of Batu Kawan as the third satellite township. Presently, Aspen together with its joint venture partner, has effectively completed the pivotal components of AVC, notably the IKEA store, which has been operational since 2019.

As of to date, Aspen has fulfilled all the mandatory requirements of PDC and has settled the land consideration. Above all, Aspen has also invested over RM500 million on earthworks, land improvement, infrastructure works such as drainage, roads, a 25-acre Central Park and other public amenities. This investment has significantly increased the overall land cost, bringing it close to RM1 billion.

We have spearheaded the development of Batu Kawan as a pioneer developer and transformed AVC into a thriving satellite city and vibrant commercial hub. The success of developers in the adjacent industrial area can be primarily attributed to the substantial investments made by Aspen and its joint venture partner in the early days, breathing life into what was once a swampy terrain in Batu Kawan.

Implying that our joint venture, Aspen Vision City, is equivalent to PDC's new land sale through direct negotiation is not a fair and equitable comparison and it should be avoided at all costs. Aspen's AVC project should not be juxtaposed with PDC's other ventures, given the vastly different circumstances and goals of PDC then and now. We emphasise in accordance with the PDA, that we have fulfilled our obligations, including land payment, infrastructure development, and the successful operation of the IKEA store, and completion of the first phase of the mixed-use development. We reiterate our commitments to continue to develop the balance undeveloped parcels in accordance with the terms of the PDA entered with PDC. We envisage the AVC township in Bandar Cassia, Batu Kawan to be a thriving commercial hub of Penang's third satellite township." said Dato' M. Murly.

End.

Dato' M. Murly , as a Penangite and entrepreneur on his personal capacity is of the view that the recent call to review PDC's top management, is indeed in line with the growing demand of Penangites seeking good, competent and transparent governance at state agencies such as PDC, which is pivotal in shaping the social economic development of Penang in particular and Malaysia in larger context.

### **About Aspen (Group) Holdings Ltd**

The group develops residential and mixed-development properties at strategic locations, featuring excellent infrastructure and amenities, all offered at affordable price points in Malaysia. Its flagship project, Aspen Vision City, represents a collaborative partnership with Ikano Retail and boasts an impressive gross development value of RM13 billion. To date, properties worth over RM3 billion have been successfully launched at Aspen Vision City. Furthermore, Aspen has undertaken multiple property developments in Penang Island and the Central Region of Malaysia, collectively capturing a completed gross development value exceeding RM3 billion. For more information, please visit <https://aspen.sg>

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