



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

RELEASE OF MEDIA STATEMENT: CONSORTIUM RESPONDS TO BKIP2 RFP REMARKS, REAFFIRMS COMMITMENT TO TRANSPARENCY AND COLLABORATION

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**” and together with its subsidiaries, “**Aspen**”) refers to the recent media reports and remarks made at the Penang state assembly sitting (the “**Remarks**”) regarding the Request for Proposal (“**RFP**”) called by the Penang Development Corporation (“**PDC**”) for the development of Batu Kawan Industrial Park 2 (“**BKIP2**”).

The Company’s direct subsidiary, Aspen Vision All Sdn. Bhd. together with IJM Properties Sdn. Bhd. and Mettiz Capital Sdn. Bhd. (collectively, the “**Consortium**”) had participated in the RFP as a Consortium by submitting a joint proposal for the development of BKIP2 on 9 September 2024.

The Consortium’s proposal was rejected by PDC on 19 November 2024 without any reason being provided. Subsequently, the Remarks made cited alleged non-compliance with the requirements of the RFP.

The Board wishes to inform that the Consortium has released a press statement titled “Consortium Responds to BKIP2 RFP Remarks, Reaffirms Commitment to Transparency and Collaboration” dated 2 December 2024 to provide a response in relation to the Remarks. A copy of the Media Statement is appended herewith for reference.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato’ Murly Manokharan
President and Group Chief Executive Officer
2 December 2024

Media Statement

For immediate release

Consortium responds to BKIP2 RFP remarks, reaffirms commitment to transparency and collaboration

Consortium clarifies leasehold terms, governance and industrial development goals; proposes pathways for constructive engagement

GEORGETOWN, 2 December 2024 – IJM Properties Sdn Bhd (a subsidiary of IJM Corporation Berhad), Aspen Vision All Sdn Bhd (a subsidiary of Aspen (Group) Holdings Ltd.), and Mettiz Capital Sdn Bhd, as the Consortium, jointly issue the following statement:

The Consortium acknowledges recent remarks regarding the Request for Proposal (RFP) process for the Batu Kawan Industrial Park 2 (BKIP2) project. As a group committed to transparency, corporate governance and collaborative development, we seek to clarify key points about our proposal to ensure an accurate and informed understanding of the matter.

Clarifications on Our Proposal

We are confident that our proposal aligns with the RFP's objectives and guidelines. A Request for Proposal (RFP), unlike an Invitation to Tender (ITT), is a public procurement method that seeks innovative and customised solutions from bidders. While the RFP specifies requirements, it inherently allows flexibility for bidders to propose enhancements that improve the project's developmental potential without compromising its objectives.

In this spirit, the Consortium focused on quality, feasibility and sustainable solutions, proposing optional variations aligned with the RFP's broader goals. These solutions are best explained and clarified in a face-to-face meeting. While the Consortium had earnestly requested the opportunity to present and explain our submission, this was not granted.

The following points address specific claims made about our submission:

1. Leasehold vs Freehold

The Consortium fully adhered to the 99-year leasehold requirement outlined in the RFP with an offer of RM818 million. As part of our proposal, we suggested freehold status as an alternative enhancement to generate additional revenue for the State, with the Consortium prepared to consider higher premiums for converting the land to freehold. This was never a condition of our proposal, and we remain fully committed to proceeding with the leasehold terms without conditions. Suggestions that we mandated freehold status do not accurately reflect the intent of the Consortium.

2. Change in Shareholding Structure

The flexibility proposed for equity restructuring among the Consortium's three original shareholders aimed to optimise organisational efficiency while ensuring accountability. Any external changes or inclusion of new partners would require PDC's prior approval, in line with standard governance practices. This does not equate to "flipping" the project to external parties or undermining the project's integrity.

3. Land Use Proposal

The Consortium proposed a fully industrial development plan (100%), recognising the site's potential and the evolving demands of investors. While the RFP specified a 90% industrial and 10% mixed-use ratio, we believed a fully industrial plan—featuring a 400-acre solar farm to power the

industrial park—would better align with Penang’s ESG priorities and long-term goals. By leveraging renewable energy, the plan positions Penang as a destination of choice for multinational corporations seeking sustainable and competitive industrial solutions. It also complements the existing mixed-use elements in BKIP1, further establishing BKIP2 as a model for sustainable industrial development.

4. Direct Alienation

The Consortium suggested direct alienation of the land as an optional arrangement, following precedents where such practices have facilitated streamlined execution. Nevertheless, we remain fully committed to the original arrangement stipulated in the RFP, where PDC retains the initial ownership before subsequent transfer.

5. Guaranteed Cash Returns

The Consortium’s guaranteed cash return of RM818 million adhered to the RFP’s terms. The RFP stated that the provided illustrations were intended as guidance, not fixed requirements, and explicitly allowed flexibility in proposing enhancements to cash returns and payment timelines.

To align with these terms, our proposal included a shorter payment period of 42 months instead of 48 months and larger parcel sizes, ensuring faster cash flow benefits to PDC while complying with all provisions. Assertions that the Consortium’s offer was non-compliant are inconsistent with the terms and intent of the RFP.

6. Quarry Operations Proposal

The Consortium proposed establishing quarry operations to support efficient landfilling necessary for the project, while providing additional commercial returns for PDC. This approach is designed to reduce costs and enhance value for all stakeholders, including PDC.

7. Infrastructure Development

The Consortium’s proposal is aligned with the established practices where PDC, as the master developer, provides basic infrastructure—such as power, water, and telecommunications—up to the land boundary. Within the development site, the Consortium is committed to independently financing and constructing all required infrastructure, including roads, bridges and utilities, in full compliance with local authority and regulatory requirements.

This approach reflects adherence to regulatory standards while ensuring efficiency and seamless execution of the project.

8. First Right of Refusal for Adjacent Land

To support the long-term viability of the development, the Consortium proposed a first right of refusal for adjacent parcels should PDC decide to develop them for industrial purposes. This approach ensures continuity in industrial development planning and execution while aligning with past and present practices. Granting this right would not disadvantage PDC in any way.

Addressing Corporate Governance and Commitment to Engagement

The Consortium upholds the highest standards of transparency, accountability, and compliance in all its undertakings. Guided by industry best practices, the proposed enhancements to the RFP terms were made in good faith to align with Penang’s economic objectives and long-term strategic goals. Suggestions to the contrary do not reflect the values or intent behind our submission.

Significant time, expertise and resources were invested to develop a proposal that addressed the RFP’s requirements while delivering a comprehensive plan to drive economic benefits, foster sustainable growth and uphold principles of good governance. Our proposal also prioritised the integration of ESG

elements, which are increasingly critical to attracting global investments and enhancing Penang's long-term competitiveness.

We regret that the decision to reject our proposal was made without engagement or an opportunity for clarification. A summary rejection, without allowing the Consortium to present and explain its solutions, is not consistent with the objectives of an RFP process. Open dialogue would have allowed us to address concerns, align expectations and demonstrate the proposal's alignment with the State's strategic priorities.

Despite this outcome, we remain committed to constructive engagement with PDC and other stakeholders to resolve outstanding concerns and explore pathways forward. Collaboration is vital to achieving a mutually beneficial outcome that contributes to Penang's industrial growth and sustainability. These principles guide every aspect of our work, and we remain steadfast in contributing to Penang's progress in a manner that reflects these values and inspires public trust.

Looking Ahead

BKIP2 offers a unique opportunity to reshape Penang's industrial landscape and foster sustainable development. The project has the potential to generate high-value employment, attract international investments and position Penang as a hub for future-ready industries. The Consortium remains committed to working collaboratively with PDC and other stakeholders to deliver a project that drives economic progress while upholding principles of transparency and responsible growth.

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