

**NOTICE OF ADDITIONAL ASSESSMENT FOR THE YEAR OF ASSESSMENT 2014 RECEIVED BY ASPEN VISION LAND SDN. BHD. FROM THE INLAND REVENUE BOARD OF MALAYSIA**

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders and potential investors of the Company that, Aspen Vision Land Sdn. Bhd. (“**AVL**”), a wholly-owned indirect subsidiary of the Company, had on 25 August 2021 received from the Inland Revenue Board of Malaysia (“**IRB**”) a notice of additional assessment for the year of assessment 2014, including penalty totaling RM175,436,080.00 (“**Notice**”).

The Notice was raised by IRB in relation to a sale of land transaction involving previous landowner, AVL, and nominated sub-purchasers in 2014. The additional assessment arose from the adjustment made by IRB, treating the whole transaction value as "gain" for income tax purposes on AVL without recognising any cost whatsoever for the said land transaction. This erroneous treatment made the entire cost of the said land transaction as purported gain.

The IRB has raised an additional tax assessment of RM175,436,080.00 based on the following position as against AVL’s position:

	IRB’s Position	AVL’s Position
Total revenue from sale of land	RM483,962,916.00 <sup>1</sup>	RM483,951,600.00
Land cost	NIL <sup>2</sup>	RM483,951,600.00
Imputed “gain”	RM483,962,916.00 <sup>1</sup>	No gain
Additional income tax on imputed “gain” @ 25%	RM120,990,729.00 <sup>1</sup>	No gain to be taxed
Tax penalty @ 45%	RM54,445,680.00 <sup>1</sup>	No tax to begin with
Additional tax assessment (less tax paid)	RM120,990,729.00 + RM54,445,680.00 - RM329 tax paid = RM175,436,080.00 <sup>1</sup>	None

*Note:*

- (1) *As per IRB’s Notice*
- (2) *AVL’s actual cost for the said transaction amounting to RM483,951,600.00 was not allowed to be recognised*

AVL has obtained professional advice to contend incontrovertibly that IRB's basis of assessment is fundamentally erroneous. AVL will proceed with the appeal and if necessary, will strongly contest the Notice.

The Notice is not expected to have any imminent financial effects on the Group pending the outcome of the appeal and/or legal proceedings.

The Company will update the shareholders via SGXNET as and when there are any material updates in relation to the above.

**BY ORDER OF THE BOARD**

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
President and Group Chief Executive Officer  
28 August 2021