



FINAL EXAMINATION
BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE : ADVANCED TAX AND PLANNING

COURSE CODE : TAX4123

DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **THREE (3)** questions.
2. Answer ALL questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
4. Do not bring any material into the examination hall. The use of a calculators is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO. : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 5 printed pages including front page

QUESTION 1

EcoVista Resort Berhad is a Malaysian company engaged in a promoted activity, namely the development and operation of an eco-tourism resort and integrated hospitality project, which qualifies for Investment Tax Allowance (ITA).

The company was incorporated in 2020 and operates from its resort development located in Langkawi, Kedah. In addition, the company conducts specialised training programmes related to sustainable tourism management and eco-hospitality practices in line with industry standards.

EcoVista Resort Berhad prepares its accounts to 30 June each year. The following information represents the adjusted income/(loss) and other relevant financial details of the company for the last three years of assessment:

	2024 RM	2025 RM	2026 RM
Promoted Products			
Adjusted Income/(Loss)	(1,500,000)	3,900,000	2,600,000
Balancing Charge	480,000	-	-
Capital Allowances	320,000	780,000	850,000
Non-Promoted Products			
Adjusted Income/(Loss)	(300,000)	350,000	(150,000)
Balancing Charge	-	-	75,000
Capital Allowances	90,000	110,000	70,000
Other income & expenses			
Rental income from retail outlets	140,000	160,000	180,000
Dividend from local Cooperative	30,000	25,000	15,000
Interest Income from RHB Bank	28,000	42,000	38,000
Donation to approved charity	22,000	26,000	27,000
Capital Expenditure	Date incurred	RM	
Eco-Resort Accommodation Complex	18 January 2024	4,000,000	
Tourist Reception Facility	25 June 2024	650,000	
Eco-Friendly Transport System	12 August 2024	720,000	
Recreational Facilities	5 May 2025	680,000	
Resort Facilities & Waste Management System	20 November 2025	500,000	
Hospitality Training & Development Centre	10 May 2026	820,000	

Required:

Compute the chargeable income and the amount to be credited to the exempt income account of EcoVista Resort Berhad for the years of assessment 2024, 2025, and 2026.

(Total: 30 marks)

QUESTION 2

PrimeCare Healthcare REIT (PCREIT) is an investment trust that owns and manages healthcare properties. Its property acquisitions are partly financed through borrowings from HealthCap Finance Berhad. For the year ended 30 June 2026, PCREIT's financial statements indicate the following:

- i. PrimeCare Healthcare REIT generated gross rental income of RM28,800,000 from its property portfolio.
- ii. Total operating expenses for the year amounted to RM13,500,000.
- iii. Other income received are as below:

	RM
Net rental income	15,300,000
Interest income from Maybank	520,000
Compensation from delayed completion of a medical facility	4,600,000

- iv. PrimeCare Healthcare REIT incurred expenditure as below:

	RM
Manager's remuneration	950,000
Trustee's fee	2,800,000
Other operating expenses	10,800,000
Depreciation	1,100,000
Interest on mortgage loan	3,100,000

Additional information:

- Profit before taxation amounted to RM2,900,000 and capital allowance was RM700,000.
- Other operating expenses include payment for the registration of a healthcare management software licence amounting to RM500,000.
- Total distribution made to unit holders during the year was RM5,500,000.

Required:

- a. Determine the chargeable income of PrimeCare Healthcare Real Estate Investment Trust for the year of assessment 2026. Write 'Nil' where no adjustment is required.
(7 marks)
- b. Discuss the tax treatment of a listed REIT that distributes at least 90% of its total income to unit holders under Section 61A(1) of the Income Tax Act 1967, including its withholding tax obligations under Section 109D and the penalties or consequences arising from non-compliance.
(10 marks)
- c. Explain the income tax treatment of distributions received from a REIT by resident individuals and resident companies.
(3 marks)

(Total: 20 marks)

QUESTION 3

The personal income tax returns of Syafiq, a Malaysian resident, for the years of assessment ending 31 December 2024 and 2025, have been selected for examination by the Inland Revenue Board (IRB). During the review process, the following financial information was obtained. Syafiq has engaged you as his tax consultant to prepare a Capital Statement based on the information below.

1. Syafiq commenced his first business in Taiping, Perak on 1 February 2022 with an initial investment of RM48,000. Relevant financial information is as follows:

	2023 RM	2024 RM
As at 31 December		
Retained earnings	920,000	580,000
Drawings	110,000	260,000

In February 2025, Syafiq disposed of the business and realized a gain of RM170,000. Subsequently, in June 2025, he established a new business in Ipoh, which recorded net assets amounting to RM700,000 as at 31 December 2025.

2. Syafiq owns several properties as follows:

Property	Date of purchased	Cost (RM)	Market price (RM)
Service residence	12 May 2018	350,000	820,000
Industrial land	8 September 2020	680,000	2,200,000
Double-storey house	5 March 2025	900,000	300,000

In January 2025, Syafiq sold the service residence for RM400,000. Later, in May 2025, he purchased a terrace house in Bandar Bukit Tinggi for RM540,000, paying RM100,000 as a deposit, while the remaining RM440,000 was financed through a housing loan repayable over 25 years, with monthly installments starting in June 2025.

3. In 2017, Syafiq borrowed RM180,000 from his cousin, Haziq. As at 31 December 2024, the outstanding balance was RM70,000, which he fully repaid in 2025.
4. In 2022, Syafiq acquired 120,000 ordinary shares in Delta Vision Bhd at a price of RM2.20 per share. On 18 April 2025, he decided to dispose of 70,000 of these shares at RM1.90 per share, and the transaction involved brokerage charges amounting to RM4,800.
5. In April 2025, Syafiq purchased a Perodua Ativa for RM78,000. However, on 10 November 2025, he sold the vehicle for RM62,000 as it no longer suited his family's. He also owns a motorcycle Yamaha TMAX 560, purchased in 2021 for RM130,000, and has consistently made monthly installment payments of RM1,100 since February 2021.
6. Syafiq inherited two units of shop lots each valued at RM45,000, from his late grandfather in 2005. The assets were distributed to Syafiq as part of the family estate inheritance, in accordance with the deceased's estate planning and family succession arrangement. In May 2025, Syafiq later sold one of the shops lots for RM95,000.

7. In 2021, Syafiq extended an interest-free loan of RM220,000 to his friend Firdaus, with an agreement for monthly repayments of RM4,500 beginning in January 2022. Firdaus had requested the funds to support the growth of his small business, as he needed extra working capital to restock inventory and ease temporary cash flow difficulties.
8. In 2023, Syafiq's household expenditure was RM3,800 per month. This amount is projected to rise by 9% each year due to increasing living costs and inflation.
9. Other personal transactions:
- In July 2023, Syafiq lent his uncle RM150,000 interest-free. The uncle passed away in March 2025, having repaid 65% of the loan by the end of 2024.
 - Syafiq's wife, who is unemployed, purchased gold jewelry worth RM9,000 in 2024 and RM13,000 in 2025.
 - Family vacations cost RM12,000 for a trip to Cameron Highlands in 2024 and RM27,000 for a trip to Krabi in 2025.
10. Other Expenses and Bank Balances:

As at 31 December	2023 RM	2024 RM	2025 RM
Insurance premium (Allianz)	30,000	42,000	60,000
Car maintenance	12,000	14,000	22,000
Donations to MAKNA	18,000	19,000	19,500
Bank account balances:			
Affin Bank	45,000	95,000	180,000
Bank Islam	25,000	85,000	140,000

11. Since 2023, Syafiq has been paying monthly income tax installments of RM20,800, based on his estimated income for that year. He continued paying the same amount throughout 2024 and 2025, without making any revisions despite changes in his actual income.

Required:

Based on the information provided, compute the undisclosed income (if any) for the year of assessment 2025.

(Total: 50 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER

