

**PENANG GLOBAL TOURISM SDN. BHD.**  
**(50689 X)**  
**(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements**  
**31 December 2014**

50689 X

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

| <b>Contents</b>                   | <b>Page</b> |
|-----------------------------------|-------------|
| Directors' report                 | 1 - 4       |
| Statement by directors            | 5           |
| Statutory declaration             | 5           |
| Independent auditors' report      | 6 - 7       |
| Income statement                  | 8           |
| Balance sheet                     | 9           |
| Statement of changes in equity    | 10          |
| Cash flow statement               | 11          |
| Notes to the financial statements | 12 - 21     |

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Directors' report**

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 December 2014.

**Principal activities**

The principal activities of the Company are to carry out tourism activities for the State of Penang.

There have been no significant changes in the nature of the principal activities during the financial year.

**Results**

**RM**

Net surplus of income over expenditure for the year 982,047

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

**Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any final dividend in respect of the current financial year.

**Directors**

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

|                                         |                           |
|-----------------------------------------|---------------------------|
| YAB Lim Guan Eng                        |                           |
| YB Law Heng Kiang                       |                           |
| YB Dato' Abdul Malik bin Abul Kassim    |                           |
| Dato' Rosli bin Jaafar                  |                           |
| Dato Seri R. Arunasalam s/o V. Ramasamy |                           |
| Dato' Mustafa Kamal Bin Mohd Yusoff     |                           |
| Dato Tan Sam Soon                       |                           |
| Kenneth Tan Teong Keen                  |                           |
| Marco Giovanni Battistotti              |                           |
| Danny Goon Siew Cheang                  |                           |
| Mary Ann Harris                         |                           |
| YB Loke Siew Fook                       | (Appointed on 11/09/2014) |
| Khoo Boo Lim                            | (Appointed on 01/10/2014) |
| Koay Teng Hai                           | (Resigned on 31/10/2014)  |
| Johari Bin Shafie                       | (Removed on 28/10/2014)   |
| Ooi Geok Ling                           | (Resigned on 01/03/2015)  |

**Penang Global Tourism Sdn. Bhd.  
(Incorporated in Malaysia)**

**Directors' benefits**

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 4 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

**Directors' interests**

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company, its holding company or its related corporations during the financial year.

**Other statutory information**

- (a) Before the income statement and balance sheet of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
  - (ii) the values attributed to the current assets in the financial statements of the Company misleading.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Other statutory information (contd.)**

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
  - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

**Holding company**

The holding company is Penang Development Corporation, a corporation enacted under the Penang Development Corporation Enactment, 1971.

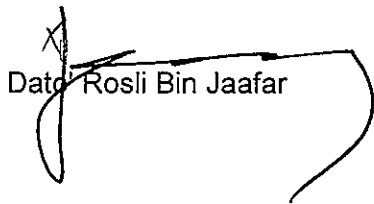
50689 X

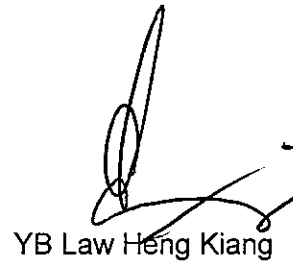
**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Auditors**

The auditors, Hanafiah Raslan & Mohamad, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated **24 APR 2015**

  
Dato Rosli Bin Jaafar

  
YB Law Heng Kiang

50689 X

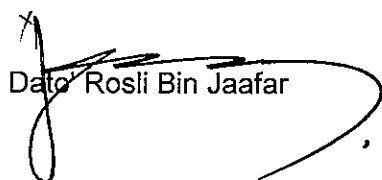
**Penang Global Tourism Sdn. Bhd.**  
(Incorporated in Malaysia)

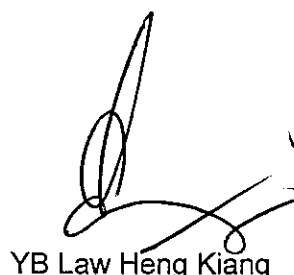
**Statement by directors**

**Pursuant to Section 169(15) of the Companies Act, 1965**

We, Dato' Rosli Bin Jaafar and YB Law Heng Kiang, being two of the directors of Penang Global Tourism Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 8 to 21 are drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2014 and of the results and the cash flows of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated **24 APR 2015**

  
Dato' Rosli Bin Jaafar

  
YB Law Heng Kiang

**Statutory declaration**

**Pursuant to Section 169(16) of the Companies Act, 1965**

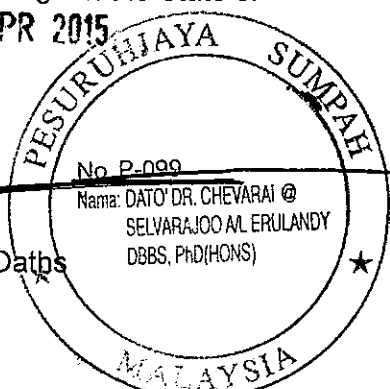
I, Ooi Chok Yan, being the chief executive officer primarily responsible for the financial management of Penang Global Tourism Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 8 to 21 are, in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Ooi Chok Yan  
at Georgetown, Penang in the State of  
Penang on **24 APR 2015**

  
Ooi Chok Yan

Before me,

Commissioner for Oaths



5. LEBUH UNION  
10200 PENANG, MALAYSIA

50689 X

**Independent auditors' report to the member of  
Penang Global Tourism Sdn. Bhd.  
(Incorporated in Malaysia)**

## **Report on the financial statements**

We have audited the financial statements of Penang Global Tourism Sdn. Bhd., which comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 21.

### *Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the requirement of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

50689 X

Independent auditors' report to the member of  
Penang Global Tourism Sdn. Bhd. (contd.)

## *Opinion*

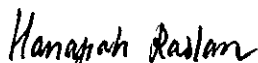
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Private Entity Reporting Standards and the requirement of the Companies Act 1965 in Malaysia.

## **Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

## **Other matters**

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Hanafiah Raslan & Mohamad  
AF: 0002  
Chartered Accountants



Adeline Chan Su Lynn  
No. 3082/07/15(J)  
Chartered Accountant

Penang, Malaysia  
Date: 24 April 2015

50689 X

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Income statement**  
**For the year ended 31 December 2014**

|                                                                    | <b>Note</b> | <b>2014<br/>RM</b> | <b>2013<br/>RM</b> |
|--------------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>Income</b>                                                      |             |                    |                    |
| Funds from State Government                                        |             | 7,361,300          | 7,420,000          |
| Other income                                                       |             | 18,523             | 18,225             |
| <b>Expenditure</b>                                                 |             |                    |                    |
| Operating expenses                                                 |             | (4,816,035)        | (5,852,166)        |
| Administrative expenses                                            |             | <u>(1,580,544)</u> | <u>(1,311,966)</u> |
| Surplus of income over expenditure<br>for the year before taxation | 3           | 983,244            | 274,093            |
| Taxation                                                           | 5           | <u>(1,197)</u>     | <u>88</u>          |
| Net surplus of income over expenditure for the<br>year             |             | <u>982,047</u>     | <u>274,181</u>     |

The accompanying notes form an integral part of the financial statements.

50689 X

**Penang Global Tourism Sdn. Bhd.  
(Incorporated in Malaysia)**

**Balance sheet as at 31 December 2014**

|                            | <b>Note</b> | <b>2014<br/>RM</b> | <b>2013<br/>RM</b> |
|----------------------------|-------------|--------------------|--------------------|
| <b>Non-current assets</b>  |             |                    |                    |
| Plant and equipment        | 6           | <u>195,737</u>     | <u>265,202</u>     |
| <b>Current assets</b>      |             |                    |                    |
| Trade receivables          | 7           | 10,462             | 1,024              |
| Other receivables          | 8           | 296,633            | 135,800            |
| Tax recoverable            |             | 1,428              | -                  |
| Due from holding company   | 10          | 500,000            | -                  |
| Cash and bank balances     |             | <u>1,069,351</u>   | <u>923,770</u>     |
|                            |             | <u>1,877,874</u>   | <u>1,060,594</u>   |
| <b>Current liabilities</b> |             |                    |                    |
| Other payables             | 9           | 525,069            | 758,551            |
| Due to a related company   | 10          | -                  | 750                |
|                            |             | <u>525,069</u>     | <u>759,301</u>     |
| <b>Net current assets</b>  |             | <u>1,352,805</u>   | <u>301,293</u>     |
| <b>Net assets</b>          |             | <u>1,548,542</u>   | <u>566,495</u>     |
| <b>Financed by:</b>        |             |                    |                    |
| Share capital              | 11          | 100,003            | 100,003            |
| Retained earnings          | 12          | <u>1,448,539</u>   | <u>466,492</u>     |
| Shareholder's equity       |             | <u>1,548,542</u>   | <u>566,495</u>     |

The accompanying notes form an integral part of the financial statements.

50689 X

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Statement of changes in equity**  
**For the year ended 31 December 2014**

|                            | <b>Share<br/>capital<br/>RM</b> | <b>Retained<br/>earnings<br/>RM</b> | <b>Total<br/>RM</b> |
|----------------------------|---------------------------------|-------------------------------------|---------------------|
| <b>At 1 January 2013</b>   | 100,003                         | 192,311                             | 292,314             |
| Net surplus for the year   | -                               | 274,181                             | 274,181             |
| <b>At 31 December 2013</b> | 100,003                         | 466,492                             | 566,495             |
| Net surplus for the year   | -                               | 982,047                             | 982,047             |
| <b>At 31 December 2014</b> | 100,003                         | 1,448,539                           | 1,548,542           |

The accompanying notes form an integral part of the financial statements.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Cash flow statement**  
**For the year ended 31 December 2014**

|                                                                                     | <b>2014</b>      | <b>2013</b>     |
|-------------------------------------------------------------------------------------|------------------|-----------------|
|                                                                                     | <b>RM</b>        | <b>RM</b>       |
| <b>Cash flows from operating activities</b>                                         |                  |                 |
| Surplus of income over expenditure                                                  | 983,244          | 274,093         |
| Adjustments for:                                                                    |                  |                 |
| Depreciation                                                                        | 104,818          | 103,855         |
| Operating surplus before working capital changes                                    | 1,088,062        | 377,948         |
| (Increase)/Decrease in receivables                                                  | (170,271)        | 575,469         |
| Decrease in payables                                                                | (233,482)        | (186,387)       |
| Net change in related company balance                                               | (500,750)        | (119)           |
| Cash generated from operations                                                      | 183,559          | 776,911         |
| Tax (paid)/refunded                                                                 | (2,625)          | 1,040           |
| Net cash generated from operating activities                                        | <u>180,934</u>   | <u>767,951</u>  |
| <b>Cash flows from investing activity</b>                                           |                  |                 |
| Purchase of plant and equipment, representing net cash used in investing activities | <u>(35,353)</u>  | <u>(30,393)</u> |
| <b>Net increase in cash and cash equivalents</b>                                    | 145,581          | 737,558         |
| <b>Cash and cash equivalents as at 1 January</b>                                    | <u>923,770</u>   | <u>186,212</u>  |
| <b>Cash and cash equivalents as at 31 December</b>                                  | <u>1,069,351</u> | <u>923,770</u>  |

The accompanying notes form an integral part of the financial statements.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Notes to the financial statements - 31 December 2014**

**1. Corporate information**

The principal activities of the Company are to carry out tourism activities for the State of Penang. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The principle place of business of the Company is located at No. 8B (First Floor), The Whiteaways Arcade, Lebuh Pantai, 10300 Penang.

The holding company is Penang Development Corporation, a corporation enacted under the Penang Development Corporation Enactment, 1971.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on **24 APR 2015**

**2. Significant accounting policies**

**(a) Basis of preparation**

The financial statements of the Company have been prepared under the historical cost convention.

The financial statements comply with Private Entity Reporting Standards and the requirement of Companies Act, 1965 in Malaysia.

**(b) Malaysian Private Entities Reporting Standard**

On 14 February 2014, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Private Entities Reporting Standard ("MPERS").

The Company will be required to prepare financial statements using the MPERS in its first MPERS financial statements for the year ending 31 December 2016.

In presenting its first MPERS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MPERS. The adjustments required on transition will be made, retrospectively, against opening retained profits. The financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2014 could be different if prepared under the MPERS.

At the date of these financial statements, the Company has not completed its quantification of the financial effects of the differences between Private Entities Reporting Standards and accounting standards under the MPERS due to the ongoing assessment by the Company. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2014 could be different if prepared under the MPERS.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**2. Significant accounting policies (contd.)**

**(b) Malaysian Private Entities Reporting Standard (contd.)**

The Company considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MPERS for the financial year ending 31 December 2016.

**(c) Plant and equipment and depreciation**

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

|                                               |     |
|-----------------------------------------------|-----|
| Computer                                      | 33% |
| Software                                      | 20% |
| Motor vehicle                                 | 20% |
| Electrical installation and office renovation | 20% |
| Furniture & fittings                          | 10% |
| Office equipment                              | 10% |

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

**(d) Impairment of assets**

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

**(e) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**2. Significant accounting policies (contd.)**

**(f) Provisions for liabilities**

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

**(g) Income tax**

Income tax on the surplus or deficit for the year comprise current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable surplus for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

**(h) Employees benefits**

**i. Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**2. Significant accounting policies (contd.)**

**(h) Employees benefits (contd.)**

**ii. Defined contribution plans**

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

**(i) Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Grants that compensate the Company for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised as income in the period of receipt.

**(j) Financial instruments**

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividend, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

**i. Receivables**

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

**ii. Payables**

Payables are stated at cost which is the fair value of the consideration to be paid in future for goods and services received.

**iii. Equity instruments**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**3. Surplus of income over expenditure before taxation**

Surplus from operations is stated:

|                         | <b>2014</b>    | <b>2013</b>    |
|-------------------------|----------------|----------------|
|                         | <b>RM</b>      | <b>RM</b>      |
| After charging:         |                |                |
| Auditor's remuneration  |                |                |
| Current year            | 5,000          | 5,000          |
| Depreciation            | 104,818        | 103,855        |
| Director's remuneration | 159,382        | 201,628        |
| Rental of premises      | <u>116,809</u> | <u>114,392</u> |

**4. Staff costs**

|                              | <b>2014</b>      | <b>2013</b>      |
|------------------------------|------------------|------------------|
|                              | <b>RM</b>        | <b>RM</b>        |
| Wages and salaries           | 1,049,598        | 835,082          |
| Social security costs        | 9,873            | 8,723            |
| Defined contribution plan    | 125,957          | 101,010          |
| Other staff related expenses | <u>97,727</u>    | <u>71,246</u>    |
|                              | <u>1,283,155</u> | <u>1,016,061</u> |

Included in staff costs of the Company is director's remuneration amounting to RM159,382 (2013: RM201,628) as further disclosed below:

|                               | <b>2014</b>    | <b>2013</b>    |
|-------------------------------|----------------|----------------|
|                               | <b>RM</b>      | <b>RM</b>      |
| Salaries and other emoluments | 133,465        | 170,620        |
| Defined contribution plan     | 24,118         | 28,608         |
| Benefits-in-kind              | <u>1,800</u>   | <u>2,400</u>   |
|                               | <u>159,382</u> | <u>201,628</u> |

The number of employees in the Company at the end of the financial year was 20 (2013: 18).

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**5. Taxation**

|                                       | <b>2014</b><br><b>RM</b> | <b>2013</b><br><b>RM</b> |
|---------------------------------------|--------------------------|--------------------------|
| Tax expense for the year:             |                          |                          |
| Current income tax                    | 72                       | -                        |
| Under/(Over) provision in prior years | <u>1,125</u>             | <u>(88)</u>              |
|                                       | <u>1,197</u>             | <u>(88)</u>              |

The funds received from the State Government are not subject to tax pursuant to paragraph 2(1) to the Gazette Order of the Income Tax (Exemption) (No 22) Order 2006. The expenses incurred by the Company are fully funded/reimbursed by the State Government and are therefore disregarded pursuant to paragraph 3(2) Income Tax (Exemption) (No 22) Order 2006.

A reconciliation of income tax expense applicable to surplus of income over expenditure before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

|                                                    | <b>2014</b><br><b>RM</b> | <b>2013</b><br><b>RM</b> |
|----------------------------------------------------|--------------------------|--------------------------|
| Surplus of income over expenditure before taxation | <u>983,244</u>           | <u>274,093</u>           |
| Taxation at statutory tax rate of 25% (2013: 25%)  | 245,811                  | 68,523                   |
| Income not subject to tax                          | (1,840,325)              | (1,855,000)              |
| Effect of expenses not deductible for tax purposes | 1,599,145                | 1,791,033                |
| Utilisation of previously unrecognised tax losses  | (4,559)                  | (4,556)                  |
| Under/(Over) provision in prior years              | <u>1,125</u>             | <u>(88)</u>              |
| Tax expense/(credit) for the year                  | <u>1,197</u>             | <u>(88)</u>              |

Deferred tax assets have not been recognised in respect of the following items:

|                               | <b>2014</b><br><b>RM</b> | <b>2013</b><br><b>RM</b> |
|-------------------------------|--------------------------|--------------------------|
| Unutilised business losses    | 405,889                  | 424,124                  |
| Unabsorbed capital allowances | <u>79,098</u>            | <u>79,098</u>            |

The availability of unutilised business losses and unabsorbed capital allowances for offsetting against future taxable profits of the Company are subject to no substantial changes in the shareholdings of the Company under the Income Tax Act, 1967 and guidelines issued by the tax authorities.

50689 X

Penang Global Tourism Sdn. Bhd.  
(Incorporated in Malaysia)

6. Plant and equipment

| 2014                             | Office<br>Equipment<br>RM | Computer<br>RM | Furniture<br>and<br>fittings<br>RM | Software<br>RM | Motor<br>vehicle<br>RM | Office<br>renovation<br>RM | Electrical<br>installation<br>RM | Total<br>RM |
|----------------------------------|---------------------------|----------------|------------------------------------|----------------|------------------------|----------------------------|----------------------------------|-------------|
| <b>Cost</b>                      |                           |                |                                    |                |                        |                            |                                  |             |
| At 1 January 2014                | 42,570                    | 52,630         | 97,751                             | 7,975          | 58,343                 | 176,731                    | 136,718                          | 572,718     |
| Additions                        | 11,584                    | 14,967         | 638                                | 3,664          | -                      | 4,500                      | -                                | 35,353      |
| At 31 December 2014              | 54,154                    | 67,597         | 98,389                             | 11,639         | 58,343                 | 181,231                    | 136,718                          | 608,071     |
| <b>Accumulated depreciation</b>  |                           |                |                                    |                |                        |                            |                                  |             |
| At 1 January 2014                | 11,610                    | 45,531         | 23,166                             | 4,933          | 46,035                 | 100,338                    | 75,904                           | 307,516     |
| Depreciation charge for the year | 5,415                     | 11,980         | 9,839                              | 2,326          | 11,668                 | 36,246                     | 27,344                           | 104,818     |
| At 31 December 2014              | 17,025                    | 57,512         | 33,005                             | 7,259          | 57,702                 | 136,584                    | 103,247                          | 412,334     |
| <b>Net book value</b>            | 37,129                    | 10,085         | 65,384                             | 4,380          | 641                    | 44,647                     | 33,471                           | 195,737     |

50689 X

Penang Global Tourism Sdn. Bhd.  
(Incorporated in Malaysia)

6. Plant and equipment (contd.)

| 2013                             | Office<br>equipment<br>RM | Computer<br>RM | Furniture<br>and<br>fittings<br>RM | Software<br>RM | Motor<br>vehicle<br>RM | Office<br>renovation<br>RM | Electrical<br>installation<br>RM | Total<br>RM |
|----------------------------------|---------------------------|----------------|------------------------------------|----------------|------------------------|----------------------------|----------------------------------|-------------|
| <b>Cost</b>                      |                           |                |                                    |                |                        |                            |                                  |             |
| At 1 January 2013                | 40,205                    | 52,392         | 84,211                             | 7,975          | 58,343                 | 162,481                    | 136,718                          | 542,325     |
| Additions                        | 2,365                     | 238            | 13,540                             | -              | -                      | 14,250                     | -                                | 30,393      |
| At 31 December 2013              | 42,570                    | 52,630         | 97,751                             | 7,975          | 58,343                 | 176,731                    | 136,718                          | 572,718     |
| <b>Accumulated depreciation</b>  |                           |                |                                    |                |                        |                            |                                  |             |
| At 1 January 2013                | 7,353                     | 31,661         | 13,391                             | 3,338          | 34,366                 | 64,992                     | 48,560                           | 203,661     |
| Depreciation charge for the year | 4,257                     | 13,870         | 9,775                              | 1,595          | 11,669                 | 35,346                     | 27,344                           | 103,855     |
| At 31 December 2013              | 11,610                    | 45,531         | 23,166                             | 4,933          | 46,035                 | 100,338                    | 75,904                           | 307,516     |
| <b>Net book value</b>            | 30,960                    | 7,099          | 74,585                             | 3,042          | 12,309                 | 76,393                     | 60,814                           | 265,202     |

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**7. Trade receivables**

The Company's normal credit terms range from 30 days to 90 days. Other credit terms are assessed on a case by case basis.

**8. Other receivables**

|                    | 2014<br>RM     | 2013<br>RM     |
|--------------------|----------------|----------------|
| Deposits           | 47,113         | 55,450         |
| Prepayments        | 247,390        | 80,350         |
| Others receivables | 2,130          | -              |
|                    | <u>296,633</u> | <u>135,800</u> |

**9. Other payables**

|                 | 2014<br>RM     | 2013<br>RM     |
|-----------------|----------------|----------------|
| Accruals        | 522,842        | 278,950        |
| Sundry payables | 2,227          | 479,601        |
|                 | <u>525,069</u> | <u>758,551</u> |

**10. Due from holding company/ (to) a related company**

|                                | 2014<br>RM     | 2013<br>RM |
|--------------------------------|----------------|------------|
| Non-trade:                     |                |            |
| PDC Premier Holdings Sdn. Bhd. | -              | (750)      |
| Penang Development Corporation | <u>500,000</u> | <u>-</u>   |

The amount due from holding company relates to grants receivable from Penang Development Corporation.

**11. Share capital**

|                          | Number of Ordinary<br>Shares of RM1 Each |                | Amount         |                |
|--------------------------|------------------------------------------|----------------|----------------|----------------|
|                          | 2014                                     | 2013           | 2014<br>RM     | 2013<br>RM     |
| Authorised:              |                                          |                |                |                |
| At 1 January/31 December | <u>500,000</u>                           | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> |
| Issued and fully paid:   |                                          |                |                |                |
| At 1 January/31 December | <u>100,003</u>                           | <u>100,003</u> | <u>100,003</u> | <u>100,003</u> |

There is no movement in the authorised and issued and paid-up share capital during the year.

**Penang Global Tourism Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**12. Retained earnings**

The Company may distribute dividends out of its entire retained profits as at 31 December 2014 and 31 December 2013 under the single tier system.

As at 31 December 2014, the Company also has an estimated undistributed tax exempt profit available for distribution of approximately RM710,000 (2013; RM710,000) subject to the agreement of the Inland Revenue Board.