



Transformasi Membentuk Komuniti Berinovasi

LAPORAN TAHUNAN 2018

.mynic



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Maklumat Korporat

Nama Syarikat MYNIC Berhad (735031-H)

Diperbadankan 24 Mei 2006

Alamat Tetap Level 3, Tower 2,
Menara Cyber Axis,
Jalan Impact,
63000 Cyberjaya,
Selangor Darul Ehsan, Malaysia

Alamat Pendaftaran Suite C-5-4,
Wisma Goshen Plaza Pantai,
Jalan Pantai Baru
52200 Kuala Lumpur, Malaysia

Setiausaha Syarikat AAJ Management Services Sdn Bhd

Tentang MYNIC

MYNIC Berhad adalah merupakan pendaftar rasmi domain .MY di Malaysia yang bertaubiah dan diiktiraf oleh ICANN (Internet Corporation for Assigned Names and Numbers). MYNIC turut menyediakan perkhidmatan lain yang memberikan identiti unik kepada organisasi dan individu di Malaysia.

Sebagai salah sebuah agensi yang bernaung di bawah Kementerian Komunikasi dan Multimedia Malaysia (KKMM) dan dikawal selia oleh Suruhanjaya Komunikasi dan Multimedia Malaysia (SKMM), MYNIC komited dalam memastikan organisasi dan individu di Malaysia sentiasa ke hadapan selari dengan arus perkembangan ekonomi digital seterusnya mengkomersialkan lagi identiti domain .MY ke peringkat antarabangsa.

Domain .MY melambangkan identiti dan profesionalisme perniagaan, organisasi atau individu di Malaysia. Wujudkan jenama dan imej perniagaan dan organisasi anda dengan domain .MY.

MYNIC sentiasa berusaha bagi memperkasakan perniagaan dan industri sebagai sebahagian daripada ekonomi digital melalui pembangunan industri nama domain yang merupakan salah satu infrastruktur ICT di Malaysia

Visi

Visi kami adalah untuk menjadi *Registry* Kod Peringkat Tertinggi Negara (ccTLD) bertaraf dunia dalam mempromosikan .MY dan sebagai pemangkin inisiatif ekonomi digital.

Misi

Dedikasi dan komited dalam memberikan perkhidmatan kelas terbaik kepada pelanggan .MY.

Nilai Keutamaan

Nilai keutamaan kami berdasarkan pada asas organisasi berprestasi tinggi:

- Inovasi
- Perkhidmatan mesra pengguna
- Integriti
- Komitmen ke arah kecemerlangan

Perkhidmatan Teras MYNIC

Nama Domain Kategori Terbuka



.my
bagi individu dan semua organisasi di Malaysia



.com.my
organisasi/aktiviti komersil



.net.my
organisasi /aktiviti yang berkaitan dengan rangkaian



.org.my
organisasi /aktiviti lain



.name.my
bagi warganegara dan bukan warganegara yang menetap di Malaysia sahaja

Nama Domain Kategori Tertutup



.gov.my
agensi kerajaan Malaysia sahaja



.edu.my
institusi pendidikan Malaysia sahaja



.mil.my
agensi ketenteraan Malaysia sahaja

Nama Domain Antarabangsa (IDN)

- Aksara Jawi (جاوي.my)
- Aksara Cina (天空.my)
- Aksara Tamil (இந்தியா.my)

Perkhidmatan Tambahan

- .MY Domain Name Dispute Resolution Services (MYDRP)
- Sensitive Domain Names Dispute Resolution Policy (SND RP)

Perkhidmatan untuk mendaftar

- Pendaftaran dalam talian
- Customer Care & Resellers Support Services

Perbezaan Nama Domain .COM dan .MY

Negara Khusus	.MY	Domain .MY direka khas sebagai identiti unik untuk rakyat Malaysia
	.COM	Nama domain ini tidak khusus dan tertakluk kepada mana-mana negara. Nama domain ini adalah bersifat berkecuali (neutral)
SEO	.MY	Nama domain .MY membolehkan pengguna tertumpu kepada kawasan tertentu; iaitu Malaysia. Perkara ini dapat memberi kelebihan kepada usahawan di Malaysia untuk mempertimbangkan .MY sebagai platform domain kerana dapat memberikan nilai <i>Search Engine Optimization</i> (SEO) yang lebih tinggi untuk carian berdasarkan negara
	.COM	<i>Search Engine Optimization</i> (SEO) mengambilkira maklumat berdasarkan ccTLD tertentu. Enjin Carian seperti Google akan mencari kandungan maklumat yang paling bersesuaian mengikut kedudukan geografi. Kebarangkalian laman sesawang yang menggunakan .COM di Malaysia untuk tersenarai adalah rendah.
Prosedur Pengaktifan	.MY	Bagi tujuan pengaktifan domain .MY, pengguna perlu memberikan pengenalan peribadi atau syarikat. Kelulusan hanya diberi selepas dokumen telah dikenalpasti sahih
	.COM	Pengguna tidak dikenali kerana tidak perlu memberikan maklumat peribadi atau syarikat bagi pengaktifan domain
Kawalan	.MY	Terkawal di mana pendaftaran hanya dibenarkan kepada warganegara Malaysia (individu dan organisasi).
	.COM	Tiada kawalan. .COM boleh didaftar oleh sesiapa sahaja secara global.



Ahli Lembaga Pengarah



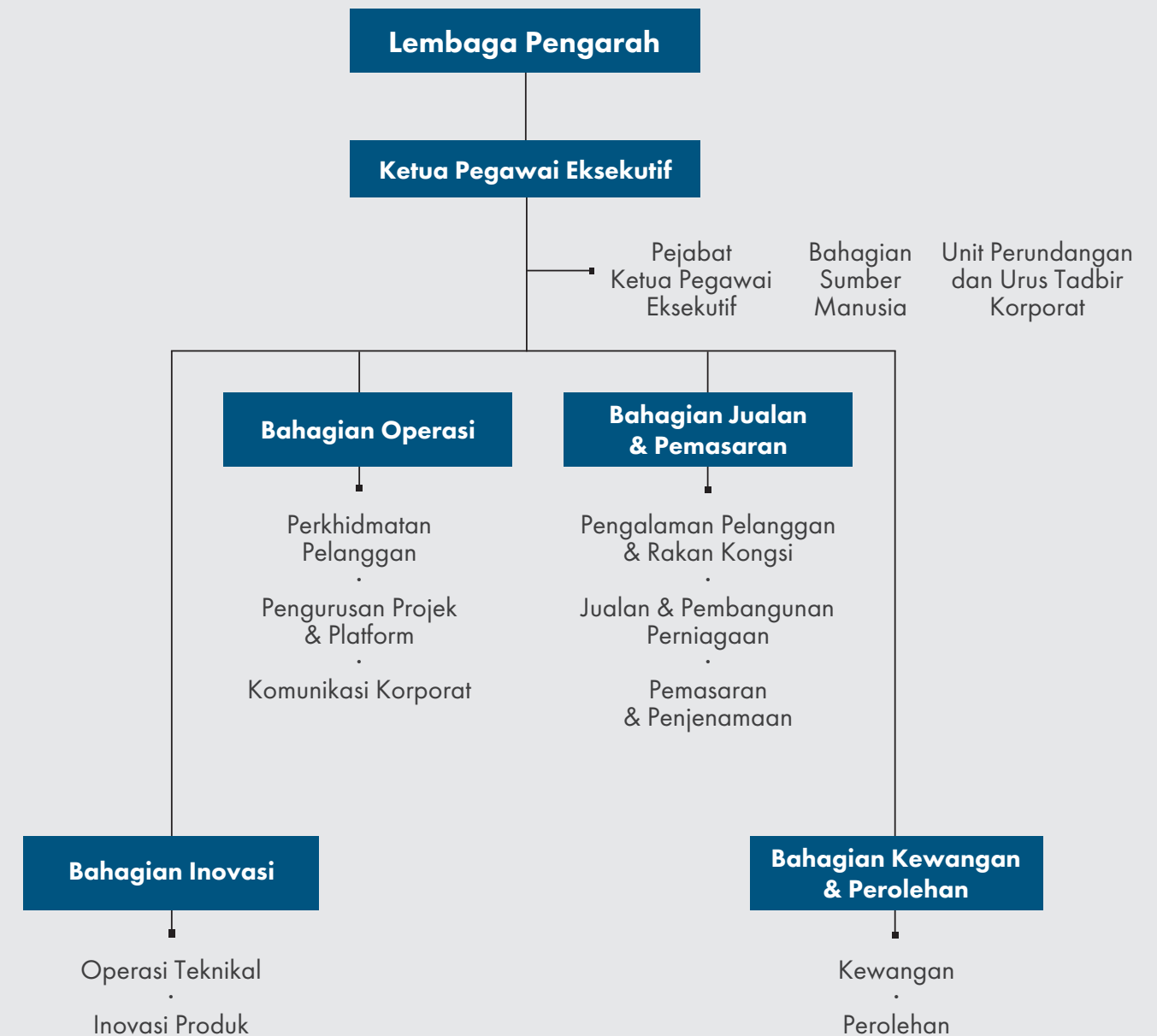
1. YBr. Dr. Mohamed bin Awang Lah (Pengerusi)
2. YBhg. Dato' Dr. Mohd Ali Mohamad Nor
3. YM Raja Iskandar Shah bin Raja Ibrahim Shah
4. YBr. En. Nik Abdul Aziz Nik Yaacob
5. YBr. En. Mahizzan bin Mohd Fadzil

Barisan Pengurusan Kanan



1. Ketua Pegawai Eksekutif
YBhg. Datuk Hasnul Fadhly Hasan
2. Ketua Pegawai Operasi
YBr. Norzaiton Senusi
3. Ketua Pegawai Pemasaran
YBr. Ahmad Fariz Md Sanusi
4. Ketua Pegawai Kewangan
YBr. Mohamad Farizul Yahaya
5. Ketua Pegawai Inovasi
YBr. David Chui Siew Chong

Struktur Organisasi



Perutusan Pengerusi Lembaga Pengarah

Tahun 2018 Malaysia dijangka menyaksikan dimensi dan naratif yang lebih baik untuk Malaysia Baharu. Corak dan strategi perniagaan juga sudah memperlihatkan perubahan ketara di mana perniagaan digital menjadi perhatian umum.

Dalam merumus strategi perniagaan pada zaman teknologi yang sedang pesat berkembang maju, kita harus memperakui bahawa digitalisasi adalah penyebab kepada model perniagaan yang semakin disruptif. Digitalisasi juga menjadi anjakan paradigma kepada transformasi proses perniagaan. Sewajarnya, untuk berkembang maju dalam persekitaran masa kini, semua pihak perlu mengadaptasikan diri dengan pertukaran digital menerusi penerapan digitalisasi dalam perniagaan dan kehidupan seharian mereka. Hal ini juga dapat mengurangkan jurang antara manusia dan mesin serta mengeksplorasi kekayaan sebenar yang datang dalam bentuk analisis data raya.

MYNIC juga tidak terkecuali memainkan peranan penting dan secara berterusan menghasilkan idea serta menjalankan inovasi pelbagai bentuk platform dan program yang dapat merealisasikan aspirasi tersebut terutamanya dalam melahirkan usahawan – usahawan cakna digital seiring dengan trend pasaran dalam talian yang dilihat semakin berkembang pesat di peringkat global.

Saya yakin pada masa akan datang, MYNIC akan menjadi salah satu pemboleh ubah kepada transformasi ekonomi digital negara yang bukan sahaja membawa perubahan besar kepada landskap sosioekonomi dan keselamatan.

Sekian, terima kasih.

Dr. Mohamed Awang Lah



Perutusan Ketua Pegawai Eksekutif

Bergerak seiring transformasi Malaysia Baharu, industri ekonomi digital mula mendapat tempat serta memerlukan struktur sokongan dan ekosistem yang kukuh untuk berkembang maju. Corak dan lanskap perniagaan di Malaysia juga telah melalui perubahan yang ketara dan melalui revolusi teknologi ICT termasuk pemboleh ubah nama domain yang dilihat turut mempunyai peranan yang penting dan tersendiri dalam memastikan kejayaan menyeluruh ekonomi digital di Malaysia.

Transformasi digital akan kelihatan berbeza bagi setiap syarikat mahupun organisasi. Sukar untuk memberi definisi sebenar transformasi digital yang seharusnya berlaku bagi setiap syarikat mahupun organisasi. Namun, secara umum, definisi transformasi digital boleh dirumuskan sebagai integrasi teknologi digital ke dalam semua bidang perniagaan yang mengakibatkan perubahan besar bagi sesebuah perniagaan beroperasi dan bagaimana ia mampu memberikan impak yang baik kepada kita secara menyeluruh.

Ini juga memberi isyarat agar “industry player” ICT haruslah bersedia untuk melakukan perubahan kerana perniagaan sedia ada hari ini mungkin tidak lagi relevan kerana kepesatan ekonomi digital ini. Justeru, MYNIC sebagai agensi Kerajaan yang bertanggungjawab membangunkan nama domain negara sentiasa cuba kekal relevan dengan mengadaptasi trend dan kemajuan bagi memastikan nama domain .MY boleh menjadi pemboleh ubah yang memberi impak yang tersendiri kepada pembangunan infrastruktur ekonomi digital negara. Ekonomi digital dilihat berpotensi untuk memacu negara ke arah aktiviti ekonomi yang mempunyai nilai yang tinggi dan lebih inklusif sekaligus sebagai penyumbang besar kepada ekonomi negara.

Pada tahun 2018, MYNIC telah berjaya memperkenalkan platform teknologi dalam talian kepada masyarakat dalam pelbagai aspek seperti penjenamaan dalam talian, teknologi komunikasi dan aplikasi yang menjurus ke arah pembangunan keusahawanan digital.

Selama lebih 3 dekad dalam industri nama domain, MYNIC membuktikan peranan pentingnya sebagai salah satu agensi Kerajaan yang komited untuk membantu memastikan rakyat Malaysia mendapat manfaat melalui ekonomi digital dan mengembangkannya sehingga ke peringkat global dengan memastikan domain .MY sebagai pilihan bagi identiti mereka.

Saya yakin dengan sokongan terutamanya daripada KKMM, MYNIC dapat memperkasakan perniagaan dan industri sebagai sebahagian daripada ekonomi digital melalui pembangunan industri nama domain yang merupakan salah satu infrastruktur ICT di Malaysia.

Sekian, terima kasih.

Datuk Hasnul Fadhly Hasan



Transformasi Korporat



Sistem Pengurusan Keselamatan Maklumat (ISMS)

Fungsi teras MYNIC adalah untuk mengurus serta menyelenggarakan nama domain pelanggan di Malaysia, oleh itu penyimpanan maklumat sulit dan peribadi atas talian menjadi aspek tumpuan keselamatan.

Untuk memastikan kerahsiaan, integriti, dan ketersediaan maklumat, MYNIC telah memperoleh pengiktirafan pertama untuk Sistem Pengurusan Keselamatan Maklumat (ISMS) pada 20 April 2012. Skop pensijilan merangkumi keseluruhan operasi

MYNIC dalam mentadbir ruang nama bagi Nama Domain Peringkat Tinggi (TLD) melibatkan pendaftaran nama domain, penyelenggaraan serta operasi pendaftaran nama domain.

ISMS adalah pendekatan bersistematik yang boleh dilaksanakan untuk menangani ancaman siber serta mengurus risiko yang berkaitan dengan keselamatan maklumat atas talian.

Sistem Pengurusan Kesenambungan Perniagaan (BCMS)

Selain dari keselamatan maklumat, MYNIC juga memberi tumpuan terhadap aspek kesinambungan. Hal ini kerana MYNIC adalah satu-satunya pihak pentadbir bagi mengurus serta menyelenggarakan pangkalan data alamat elektronik bersepadu di Malaysia. Jika bencana atau gangguan yang tidak dijangka berlaku dan tidak diurus dengan cekap, ini boleh menyebabkan domain .my tidak dapat diakses oleh orang ramai.

Untuk memastikan bencana atau gangguan diurus dengan berkesan, MYNIC telah memperoleh pensijilan Sistem Pengurusan Kesenambungan Perniagaan (BCMS) pada 15 Jun 2017. Skop pensijilan merangkumi keseluruhan operasi MYNIC dalam mentadbir ruang nama bagi Nama Domain Peringkat Tinggi (TLD) melibatkan pendaftaran nama domain, penyelenggaraan serta operasi pendaftaran nama domain.

Secara ringkas, BCMS memastikan bahawa MYNIC menetapkan rancangan kecemasan yang boleh dilaksanakan ketika berlakunya bencana atau gangguan, justeru memastikan kesinambungan perniagaan.

Sistem Pengurusan Kualiti (QMS)

MYNIC mendaftarkan nama domain .MY untuk semua individu atau organisasi di Malaysia yang berkelayakan bagi membolehkan mereka mewujudkan jenama profesional yang memberi nilai serta identiti dalam talian yang boleh dipercayai.

Untuk memastikan keperluan pelanggan sentiasa dipenuhi, MYNIC telah memperoleh pensijilan Sistem Pengurusan Kualiti (QMS) pada 8 Jun 2018. Skop pensijilan merangkumi keseluruhan operasi MYNIC dalam peruntukan pentadbiran Nama Domain

Peringkat Tinggi (TLD) melibatkan pendaftaran, operasi dan penyelenggaraan Pengalihan Domain, Emel, Penyimpanan Awan, Web Hosting, Antivirus, dan sijil SSL.

Pelaksanaan QMS menggalakkan penambahbaikan berterusan, dan ini membolehkan MYNIC untuk meningkatkan kecekapan dan produktiviti kerja, justeru memastikan servis dan produk memenuhi keperluan pelanggan.

Rumusan Audit Badan Pensijilan dan Audit Dalaman

MYNIC telah menjalankan audit dalaman untuk ISMS dan QMS pada 26 hingga 28 Februari 2018 dan BCMS pada 15 hingga 16 Mac 2018. Manakala pada 11 hingga 13 April 2018, MYNIC telah melalui audit pensijilan semula untuk ISMS, audit pemantauan untuk BCMS, dan audit pensijilan pertama untuk QMS oleh Badan Pensijilan (SIRIM QAS International Sdn. Bhd.)

Melalui hasil audit dalaman dan audit badan pensijilan yang diterima, MYNIC berjaya melaksanakan tindakan pembetulan yang

- Menambahbaik proses tindakan pembetulan kepada lebih cekap, oleh itu sebarang isu dapat ditangani dalam waktu yang lebih singkat.
- Menambahbaik proses pengurusan risiko di mana projek baru akan melalui penilaian risiko sebelum dilancarkan, justeru kejayaan projek dapat dipastikan.
- Meningkatkan keupayaan pekerja melalui latihan yang dijalankan, oleh itu keberkesanan pengurusan ISO dapat dipertingkatkan.
- Meningkatkan proses pemantauan untuk memastikan insiden ditangani dengan cekap, oleh itu pengalaman pelanggan dapat dipertingkatkan.

Produk & Inovasi

KREATIFMARKET.MY

Platform yang pertama di Malaysia dalam mengkomersialkan hasil karya seni fotografi tempatan secara dalam talian (online) berdasarkan konsep *crowdsourcing* di samping memberi peluang kepada komuniti untuk menjana pendapatan sampingan secara berterusan setanding platform – platform antarabangsa yang lain seperti Shutterstock, Getty Images, 123rf dan banyak lagi.

Program KREATIFMARKET.MY ini terbuka kepada semua rakyat Malaysia untuk menyumbangkan hasil karya kreativiti foto masing – masing. Penyumbang tidak memerlukan kemahiran fotografi yang tinggi, untuk melayakkan hasil kreativiti mereka diterima.

Keunikan platform KREATIFMARKET.MY ini memberikan keutamaan pada hasil karya yang mempunyai ciri – ciri tempatan (local content) selain dapat membuka peluang kepada rakyat Malaysia untuk menjana pendapatan sampingan yang berterusan.



GO2 Solutions

MYNIC telah memperkenalkan produk terbaru, iaitu GO2 Solutions khusus kepada rakan niaga, rakan-rakan media dan juga persatuan - persatuan usahawan di Malaysia yang memfokuskan pengusaha IKS di Malaysia.

Ia telah direka khusus untuk entiti perniagaan melangkah jauh seiring evolusi digital terutamanya dari aspek pemasaran serta kebolehpayaan perniagaan

GO2 Solutions merangkumi 3 pakej lengkap iaitu GO2 Business, GO2 Commerce dan GO2 Brand.

- GO2 Brand menawarkan kemudahan komunikasi secara digital melalui teknologi pemetaan nama domain yang menggabungkan penggunaan nama domain serta aplikasi – aplikasi komunikasi popular masa kini seperti Whatsapp, Waze, Instagram, Twitter, Google Map dan banyak lagi.
- GO2 Commerce menawarkan nama domain, platform e-commerce dan alamat emel.
- GO2 Business menawarkan keperluan asas untuk membina perniagaan atas talian seperti nama domain, alamat emel dan web hosting.

Pakej GO2 Solution ini memberikan revolusi dalam komunikasi terutamanya dari aspek pembangunan perniagaan khusus untuk membantu usahawan – usahawan industri kecil sederhana ke arah perniagaan dalam talian.



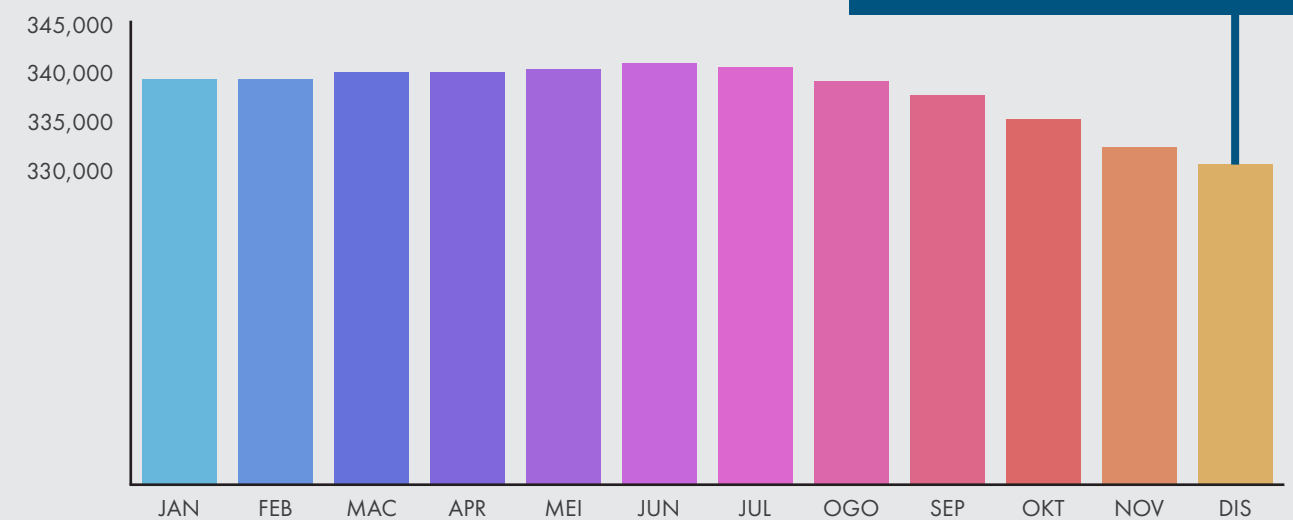
Pencapaian Memacu Transformasi

Statistik

Statistik Nama Domain Berdaftar bagi Tahun 2018

331,302

.MY	158,800
.COM.MY	139,682
.NET.MY	2,715
.ORG.MY	3,943
.GOV.MY	1,148
.EDU.MY	3,456
.MIL.MY	18
.NAME.MY	21,540



Jumlah pendaftaran nama domain baharu 2018

38,583

Jan	3,184	Apr	2,782	Jul	3,370	Okt	3,995
Feb	2,640	Mei	2,450	Ogo	3,686	Nov	2,996
Mac	3,317	Jun	2,749	Sep	4,041	Dis	3,373

IPv6 DNS

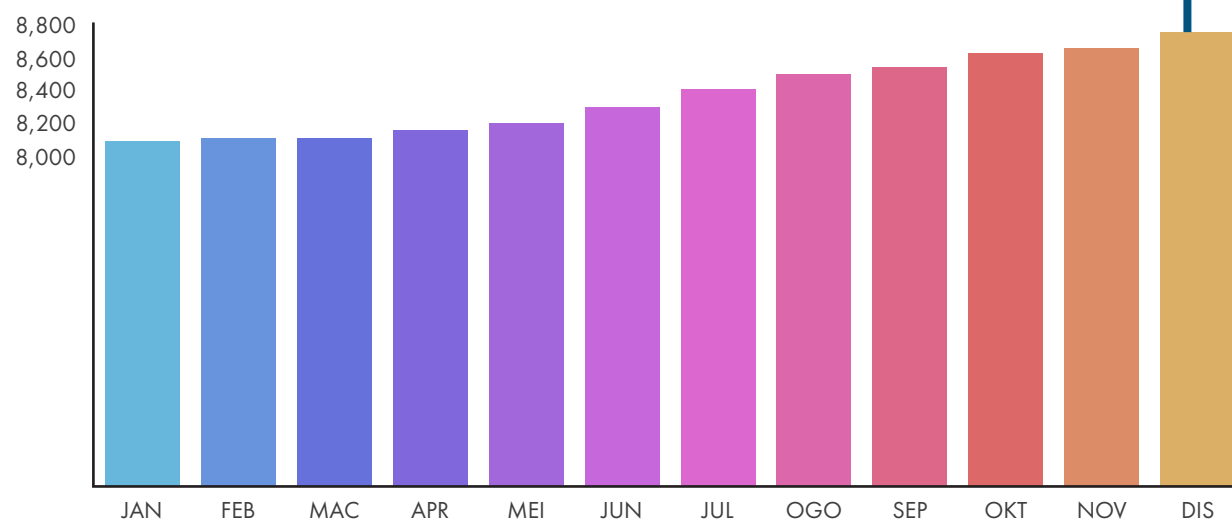
IPv6 adalah versi terbaru dari Protokol Internet dimana setiap peranti termasuk pelayan Sistem Nama Domain (DNS) yang menggunakan internet boleh dikenal pasti melalui alamat IP nya sendiri agar komunikasi internet dapat berfungsi

Secara teknikal, penggunaan IPv6 digunakan terhadap hos nama pelayan (Nameserver hosts) yang digunakan untuk menghoskan nama domain.

Sebagai contoh, pengguna boleh menambahkan hos nama pelayan seperti ns.dns.my yang merangkumi penggunaan kedua IPv4 dan IPv6 sebagai alamat IP host nama pelayan bagi yang digunakan.

MYNIC telah meneruskan usaha menyokong penggunaan IPv6 dengan menjalankan ujian tahap kesediaan penggunaan IPv6 terhadap pelayan nama domain pada bulan Julai 2007. Sistem pengurusan nama domain .MY memberi kemudahan kepada pengguna untuk mendaftar pelayan nama domain yang menggunakan IPv6. Bilangan Pelayan IPv6 meningkat pada tahun 2018 berbanding dengan tahun 2017.

Bilangan Nama Domain dengan IPv6 DNS bagi Tahun 2018



8,761
.MY 2,942
.COM.MY 4,741
.NET.MY 149
.ORG.MY 190
.GOV.MY 590
.EDU.MY 134
.MIL.MY 3
.NAME.MY 12

DNSSEC

Teknologi Peningkatan Keselamatan Sistem Nama Domain (DNSSEC) telah dilaksanakan bagi meningkatkan keselamatan Sistem Nama Domain (DNS) selari dengan spesifikasi antarabangsa di mana DNSSEC berfungsi untuk melindungi dan mencegah pengguna dari dieksploitasi oleh penggadam.

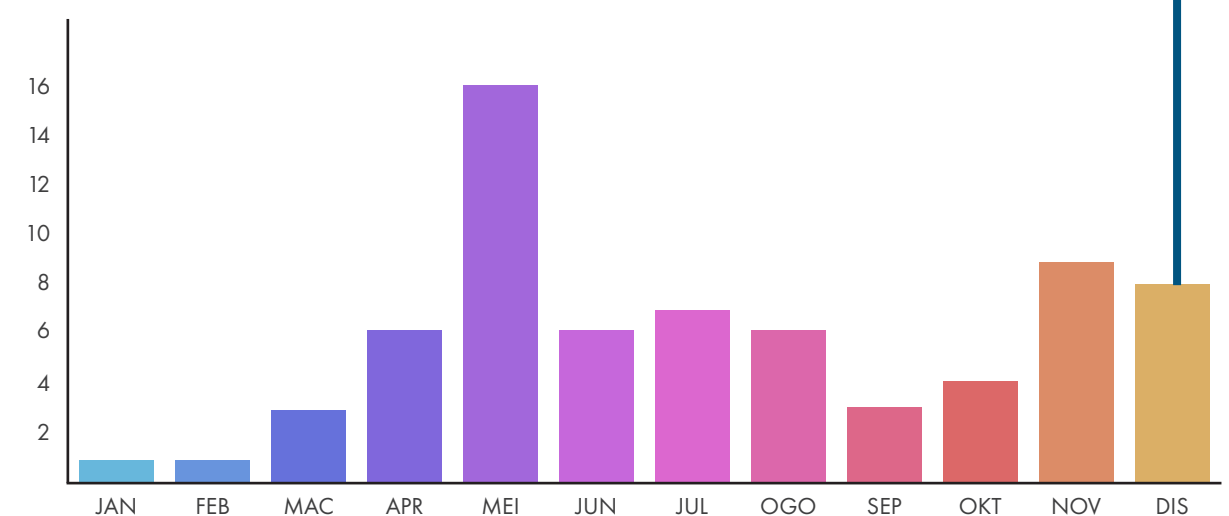
DNSSEC dapat melindungi pengguna daripada dialihkan tanpa sedar ke laman sesawang yang palsu dan mencurigakan.

Pelaksanaan DNSSEC menyediakan ciri keselamatan ke atas DNS iaitu pengesahan data asal dan perlindungan integriti data memastikan bahawa perkhidmatan laman web yang dicapai oleh pengguna adalah sah. DNSSEC adalah penting di era Data Gergasi (Big Data) dan juga era ekonomi digital di mana ia akan meningkatkan keyakinan pengguna internet.

Dengan kesedaran penting nya keselamatan terhadap Nama Domain, bilangan nama domain yang telah mengaktifkan DNSSEC menunjukkan peningkatan pada tahun 2018. MYNIC telah melipat ganda usaha dengan merancang lebih banyak latihan dan kempen kesedaran berkaitan dengan keselamatan nama domain.

Audit telah dijalankan ke atas infrastruktur dan sistem DNS dan DNSSEC untuk menilai tahap pelaksanaan DNS dan DNSSEC sedia ada. Keputusan audit menunjukkan pelaksanaan DNS dan DNSSEC adalah selari dengan piawaian antarabangsa.

Bilangan Nama Domain dengan DNSSEC bagi Tahun 2018



8
.MY 6
.COM.MY 0
.NET.MY 1
.ORG.MY 1
.GOV.MY 0
.EDU.MY 0
.MIL.MY 0
.NAME.MY 0

ANYCAST

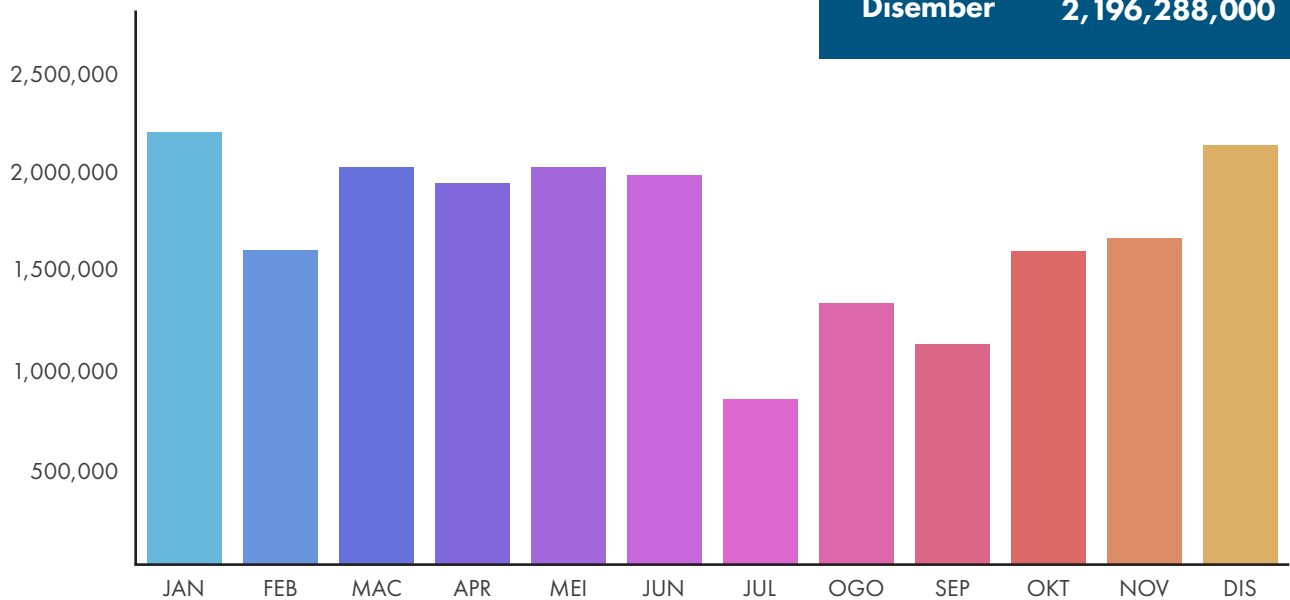
Teknologi Anycast adalah teknik alamat IP (Internet Protocol) dan laluan rangkaian yang mana setiap akses pengguna dihantar kepada satu nod terdekat daripada beberapa nod yang berlainan lokasi tetapi menggunakan alamat IP yang sama.

Bagi meningkatkan prestasi pertanyaan nama domain .MY, penambahbaikan terhadap bilangan pelayan yang menyokong pertanyaan nama domain .MY telah ditingkatkan kepada 50 lokasi seluruh dunia dengan pelaksanaan teknologi ANYCAST DNS. Pelaksanaan ini menyokong untuk mencapai sasaran peningkatan prestasi.

Penggunaan ANYCAST berupaya mempertingkatkan prestasi perkhidmatan DNS, menggunakan teknik pendua (redundancy), konfigurasi yang lebih ringkas dan kebolehsediaan perkhidmatan DNS yang tinggi.

Pelaksanaan ANYCAST DNS bagi .MY adalah

Jumlah Pertanyaan ANYCAST DNS



Januari	2,223,072,000
Februari	1,572,480,000
Mac	2,089,152,000
April	2,021,760,000
Mei	2,089,152,000
Jun	2,073,600,000
Julai	993,600,000
Ogos	1,392,768,000
September	1,296,000,000
Oktober	1,607,040,000
November	1,632,960,000
Disember	2,196,288,000

Khidmat Pelanggan 24x7

MYNIC percaya bahawa Perkhidmatan Khidmat Pelanggan yang berkualiti mampu untuk memastikan sesebuah organisasi itu kekal berdaya saing dan bergerak terus maju ke hadapan. MYNIC telah melakukan Penambahbaikan terhadap Pengurusan Khidmat Pelanggannya dengan melanjutkan tempoh perkhidmatan yang sebelum ini berfungsi dari 7 pagi hingga 11 malam ke Perkhidmatan Khidmat Pelanggan yang beroperasi 24 jam sehari bermula dari Ahad hingga Sabtu.

Pelanggan boleh berhubung dengan Pusat Khidmat Pelanggan MYNIC melalui panggilan telefon, emel atau Live Chat dengan lebih mudah sepanjang masa tanpa mengira waktu. Pengurusan Khidmat Pelanggan yang lebih cekap dan berkesan ini memberi penumpuan terdapat penyampaian perkhidmatan yang lebih responsif yang dapat memenuhi kehendak dan memberi kepuasan kepada pelanggan.

MYSPP

MYSPP adalah nama singkatan bagi MYNIC Service Provider Program iaitu sebuah program jualan nama domain secara pukal. Ia ditawarkan kepada wakil jualan MYNIC dalam beberapa pakej yang bermula pada penghujung tahun 2017. Terdapat 3 kategori utama bagi pakej yang ditawarkan iaitu Silver, Gold dan Platinum.

Pada tahun 2018, MYNIC mempunyai sejumlah 60 wakil jualan di seluruh Malaysia. Beberapa kriteria akan dikenalpasti seperti potensi perniagaan, jumlah pelanggan serta nama domain dan juga ketersediaan infrastruktur perniagaan mereka sebelum menawarkan pakej yang bersesuaian.

Pakej MYSP yang dilanggan oleh 60 wakil jualan MYNIC

Silver : 50
Gold : 5
Platinum : 3

Pencapaian program MYSP pada tahun 2018

Sebanyak 11 daripada 60 (18%) wakil jualan MYNIC telah melanggan pakej lebih tinggi daripada pakej langganan sebelumnya. Secara tidak langsung, ia juga dapat menyumbang kepada peningkatan pendapatan tahunan MYNIC sebanyak RM1.6 juta.

Antara wakil jualan MYNIC tersebut adalah:

- Acme Commerce Sdn Bhd
- Exabytes Network Sdn Bhd
- GB Network Solutions Sdn Bhd
- Gigabit Hosting Sdn Bhd
- Integricity Corporation Sdn bhd
- IP ServerOne Sokutions Sdn Bhd
- Newpages Network Sdn Bhd
- Qinetics Solutions Sdn Bhd
- Safenames (Malaysia) Sdn Bhd
- Serverfreak Technologies Sdn Bhd
- Shinjiru Technology Sdn Bhd

Kes-Kes Pertikaian Nama Domain .MY

PERTIKAIAN NAMA DOMAIN MHOTEL.COM.MY : MILLENNIUM & COPTHORNE HOTELS PLC & MILLENNIUM & COPTHORNE INTERNAT TERHAD (' PENGADU ') DAN EVERISE JUALAN SDN BD (CO. NO. 295183-T).

Pengadu adalah Millennium & Copthorne Hotels PLC dari Victoria House, United Kingdom dan Millennium & Copthorne International Limited Singapura, diwakili oleh Amica Law Singapura, manakala responden, Everise Sales Sdn Bhd, tidak diwakili. Nama domain

yang dipertikaikan ialah www.mhotel.com.my dan berdaftar dengan MYNIC.

Pengadu dan Responden

Pengadu berkecimpung dalam Pengurusan hospitaliti global dan syarikat harta tanah yang melibatkan hotel, resort, hartanah dan industri pelaburan. Pengadu merupakan pemilik M Hotel hartanah di Singapura, China, Emiriah Arab Bersatu, Arab Saudi, dan studio M Hotel di Singapura. Mereka telah mendaftar dan memiliki tanda dagangan di

seluruh dunia dan di Malaysia. Pada 7 September 2015, mereka telah mendaftar M Hotel sebagai tanda dagangan di Singapura (berjaya) dan Malaysia (belum selesai). Responden pula adalah sebuah syarikat Sendirian Berhad yang diperbadankan di Malaysia dan jenis perniagaan mereka melibatkan perdagangan semua jenis perkakasan komputer, perisian dan produk lain yang berkaitan. Responden mendaftar nama domain www.mhotel.com.my pada 28 Jun 2013.

Isu tanda dagangan dan nama domain

Pengadu berpendapat bahawa nama domain yang dipertikaikan adalah sama dengan tanda dagangan M Hotel dan mengelirukan serupa dengan tanda dagangan M Hotel Malaysia. Pengadu juga berhujah bahawa oleh sebab responden menggunakan nama domain yang dipertikaikan, ia telah merosakkan kepentingan pengadu dan reputasi mereka telah tercemar.

Pengadu berhujah bahawa responden juga telah menggunakan nama domain yang dipertikaikan dengan niat buruk kerana ia dialihkan kepada sebuah laman web yang menyediakan perkhidmatan hotel dalam persaingan langsung dengan pengadu. Pengadu berhujah bahawa responden dengan sengaja mencuba untuk menarik pengguna ke laman webnya dengan mewujudkan kemungkinan kekeliruan dengan M Hotel tanda dagangan.

Panel berpuas hati setelah pengadu mengemukakan bukti yang cukup dan menurut perenggan 3.1 daripada MYNIC (.my) Domain Name Dispute Resolution Policy (Policy) dan perenggan 17 daripada MYNIC (.my) Domain Name Dispute Resolution Policy (Rules), panel memerintahkan nama Domain yang dipertikaikan www.mhotel.com.my dipindahkan kepada pengadu.

PERTIKAIAN NAMA DOMAIN UMOBILE.COM.MY : U MOBILE SDN BHD (PENGADU) DAN ID WEB MANAGEMENT (RESPONDEN).

Nama domain yang dipertikaikan ialah umobile.com.my yang telah didaftarkan pada 22 Ogos 2017. Aduan ini difailkan di Asian International Arbitration Centre (AIAC) di bawah dasar MYNIC Domain Name Dispute Resolution Policy (MYDRP) pada 9 Julai 2018. Pengadu merupakan salah satu pembekal telekomunikasi utama di Malaysia yang menawarkan data, suara dan perkhidmatan pemesejan kepada individu dan pelanggan korporat melalui Pelan prabayar, pasca-bayar dan jalur lebar.

Pengadu dan Responden

Pengadu mengendalikan infrastruktur rangkaian telekomunikasi yang menyokong, antara lain, jalur lebar mudah alih berkelajuan tinggi. Pengadu merupakan pendaftar (Registrant) nama domain berikut; umobile.my, umobile.net.my, u-mobile.my, u-mobile.com.my, u-mobile.net.my, u.my, u.net.my, u.com.my.

Responden adalah ID Web Management.

Isu tanda dagangan dan nama domain

Pengadu adalah pemilik undang-undang dan perundangan biasa bagi tanda dagangan “umobile” dan “U” di Malaysia. Pengadu menegaskan bahawa tanda dagangan UMOBILE adalah terkenal kerana penggunaan meluas mereka di Malaysia.

Responden telah mendaftarkan nama domain yang dipertikaikan pada 22 Ogos 2017. Nama domain yang dipertikaikan digunakan sebagai halaman sementara yang mengandungi pautan ke <http://irmaweb.com/> dan ia adalah tapak laman sesawang yang tidak aktif tetapi mengubah hala trafik internet ke laman web yang disebutkan di atas. Responden telah mendaftar dan/atau menggunakan nama domain dengan niat buruk serta mengelirukan kerana ianya serupa dengan tanda dagangan atau tanda perkhidmatan yang mana pengadu mempunyai hak mutlak.

Responden tidak membalas kepada kes pengadu yang tidak memberi apa-apa keterangan atau bukti untuk menyangkal aduan Pengadu. Panel berpuas hati bahawa pengadu telah memberi bukti yang cukup untuk membuktikan pemilikan mereka dalam nama domain berdaftar serta tanda dagangan mereka. Panel mendapati bahawa nama domain yang dipertikaikan adalah mengelirukan serupa dan serupa dengan tanda dagangan “umobile” yang berdaftar oleh pengadu. Panel bersetuju bahawa tindakan responden untuk mendaftarkan nama domain yang dipertikaikan namun tidak membuat penggunaan nama domain untuk apa-apa tujuan yang tidak beretika.

Selaras dengan Perenggan 12 daripada MYNIC (.my) Domain Name Dispute Resolution Policy (Policy) dan Perenggan 17 Rules daripada MYNIC (.my) Domain Name Dispute Resolution Policy (Rules), perintah Panel bahawa nama domain yang dipertikaikan iaitu umobile.com.my dipindahkan kepada pengadu.

Transformasi dalam Talian, Menghubung Masyarakat



Program & Aktiviti MYNIC Sepanjang 2018

Rumusan Penglibatan Program dan Aktiviti MYNIC Sepanjang Tahun 2018

Bulan	Jumlah Acara	
Q1 Jan - Mac 2018	7	Acara anjuran KKMM 9
Q2 Apr - Jun 2018	9	Acara anjuran MYNIC 9
Q3 Jul - Sep 2018	2	Acara anjuran agensi 4
Q4 Okt - Dis 2018	4	
	22	

Sepanjang tahun 2018, MYNIC turut terlibat dalam menjayakan pelbagai program dan aktiviti termasuklah program-program anjuran Kementerian Komunikasi dan Multimedia (KKMM) dan agensi-agensi Kerajaan. MYNIC turut menjalankan aktiviti kesedaran dan promosi serta menyampaikan maklumat yang bermanfaat kepada masyarakat.

Melalui program dan aktiviti sebegini dapat menyediakan platform kepada masyarakat untuk lebih memahami peranan agensi-agensi Kerajaan serta memanfaatkan ruang dan platform yang disediakan melalui program-program yang dianjurkan. Secara tidak langsung, pendekatan MYNIC melalui program-program sebegini

dapat melahirkan masyarakat yang celik IT seperti yang digalakkan oleh Kerajaan. Adalah menjadi keutamaan serta fokus kepada MYNIC untuk terus membimbing dan memberi peluang kepada masyarakat untuk terlibat dalam perniagaan dalam talian (online).

Rakyat merupakan pemangkin idea, pengguna dan penggerak bagi menjayakan teknologi demi kehidupan lebih bermakna dan berkualiti. Sebagai Agensi KKMM, ruang dan peluang harus diperluaskan bagi memastikan manfaat sampai kepada rakyat dan seterusnya menyumbang ke arah pembentukan masa depan Malaysia sebagai sebuah negara berteraskan ekonomi digital.



27 Januari

Malaysia Website Awards (MWA) 2017

10 Februari

Seminar Latihan Fotografi KREATIFMARKET.MY



22-23 Februari

Asia Pacific Top Level Domain Association (APTLD) Annual General Meeting 2018



26 Februari

MYNIC Product Briefing: SME Go Online



15-18 Mac

Karnival Sehati @ RTM #Bagusbah



24 Mac

Majlis Pelancaran Platform KREATIFMARKET.MY



5-6 April

Program Negaraku Bachok Berselawat, Sehati @ RTM





13 April

**Majlis Penyerahan Sumbangan
Van Sekolah MYNIC kepada SMK
Pelen II**

13-14 April

**Program Negaraku
Menghubung Menyatu
@ Kota Belud, Sabah**



20-22 April

**Program Negaraku
Menghubung Menyatu
@ Kulim, Kedah**

3-5 Ogos

**Pameran Caring Bridge
di Pelancaran Bulan
Kebangsaan dan Kibar
jalur Gemilang 2018**



22-23 September

**Hari Telekomunikasi dan
Masyarakat Berinformasi
Sedunia 2018**



Laporan Kewangan 2018

Analisis Penyata Kewangan MYNIC 2018

Di sebalik ketidakstabilan persekitaran termasuklah perubahan besar politik negara pada tahun 2018 yang secara tidak langsung telah memberi kesan kepada penangguhan dan pelaksanaan projek serta inisiatif yang dirancang, MYNIC masih mampu berdiri teguh berdasarkan pada asas-asas organisasi yang kukuh dan strategi mampan dan mantap, melalui pelaksanaan inisiatif secara berkesan.

Dengan itu, operasi perniagaan MYNIC masih berjaya mencatatkan prestasi yang tidak mengecewakan pada tahun ini di mana pendapatan sejumlah RM 16.7 juta pada tahun 2018 telah dijana walaupun terdapat pengurangan pendapatan sebanyak 15% dari tahun sebelumnya. Walaubagaimanapun, kos operasi dapat dioptimumkan dan sekaligus menjana keuntungan sebelum cukai sebanyak RM3.4 juta. MYNIC masih berjaya menguruskan kos operasi sementara terus membuat penambahbaikan serta pelaksanaan

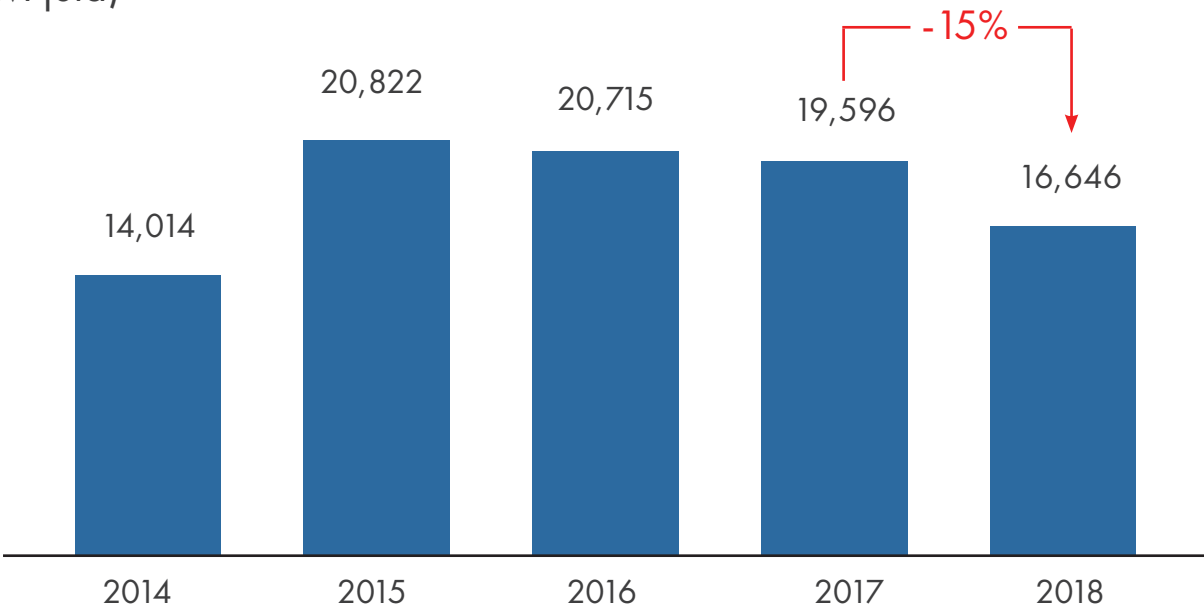
infrastruktur IT yang lebih resilien dan inisiatif pendigitalan bagi tujuan menjana pendapatan yang lebih memberangsangkan. MYNIC juga yakin penurunan pendapatan ini adalah bersifat sementara dan jangka pendek di mana usaha berterusan mampu dipergiatkan melalui pelbagai aktiviti bagi tahun 2019 dan masih mampu mengatasi tekanan dan dapat mengawal kenaikan kos dengan baik.

Ekonomi digital dan industri teknologi dilihat mula mendapat perhatian umum dan menjadi trend di peringkat global terutamanya sebagai pilihan pengguna dalam menjalankan perniagaan. Di sebalik trend ini, prestasi MYNIC dijangka akan lebih meningkat, menunjukkan daya tahan kepada tekanan meskipun dalam keadaan ekonomi yang mencabar pada tahun berikutnya.

Berlatarbelakangkan persekitaran operasi, MYNIC menetapkan tumpuan utama kepada kualiti aset, dan mengekalkan tahap kecairan tunai yang mantap di mana kenaikan sebanyak 9% berbanding tahun 2017. Dengan asas yang kukuh ini, MYNIC berada di kedudukan yang baik untuk menghasilkan nilai yang mampan dan sekaligus menyumbang kepada KDNK negara.

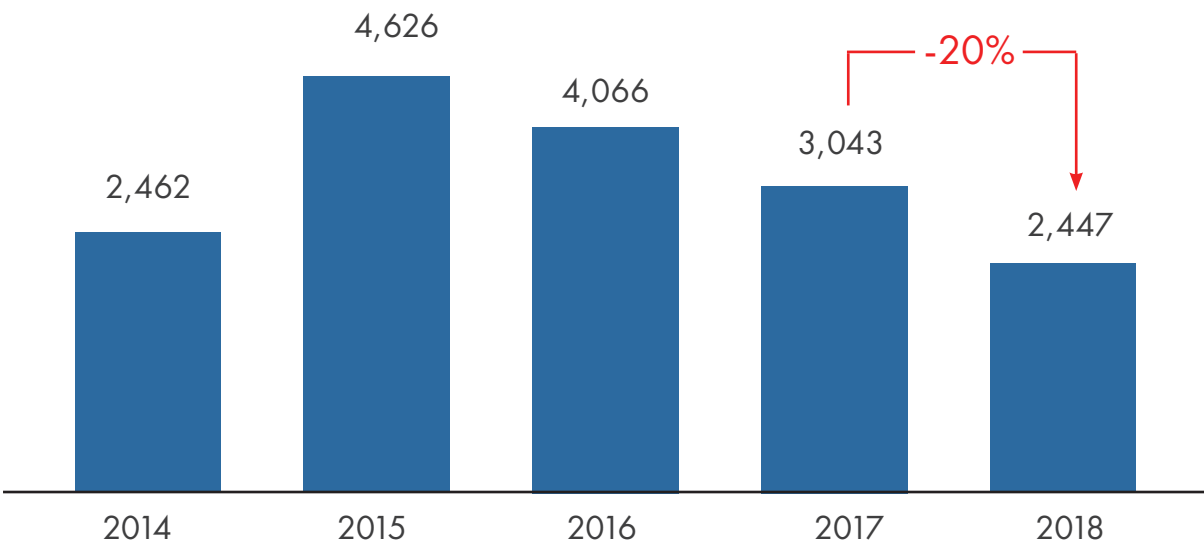
Pendapatan

(RM juta)



Keuntungan Selepas Cukai

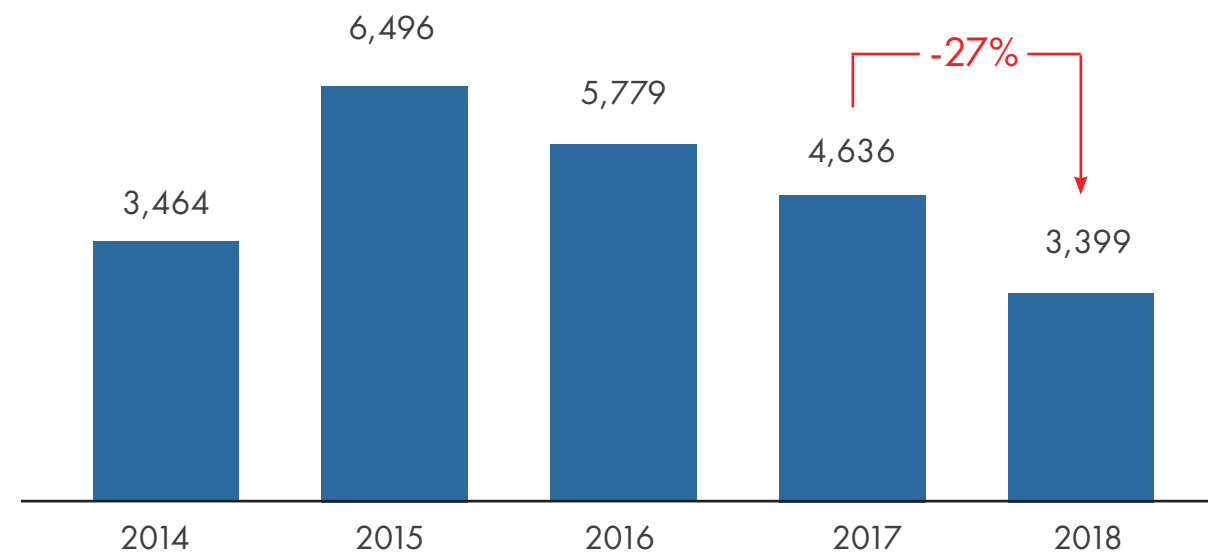
(RM juta)





Keuntungan Sebelum Cukai

(RM juta)



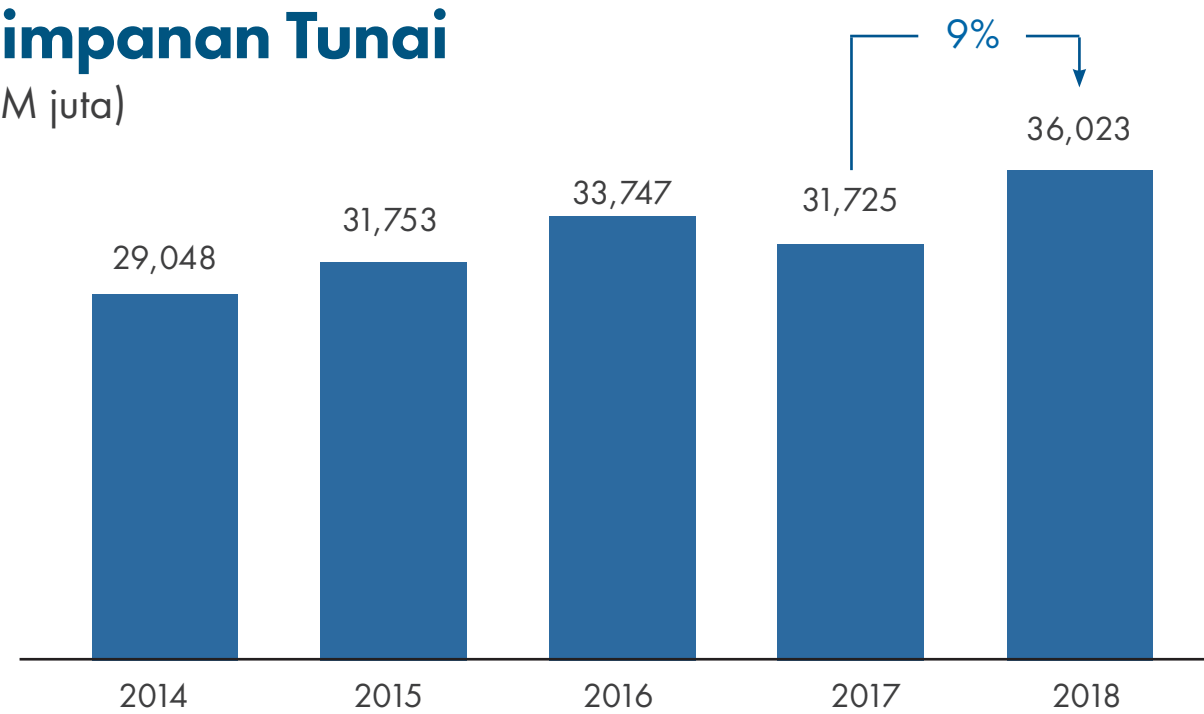
MYNIC BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

31 DECEMBER 2018

Simpanan Tunai

(RM juta)



MYNIC BERHAD
(Incorporated in Malaysia)

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MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is acting as the network information centre for Malaysia under the Ministry of Communications and Multimedia Malaysia ("KKMM"). The principal activities of the Company are to manage, control, operate, develop and administer the .my country code top level domain, internet names, numbers, addresses, resources and all other related activities and services. The principal activities of the subsidiary company are described in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a company limited by guarantee, not having a share capital, not for profit, incorporated and domiciled in Malaysia. Currently, the Company has 2 members. In the event that the Company is wound up, a member or a person who was a member twelve months prior to that event is liable to contribute to the assets of the Company a sum not exceeding Ringgit Malaysia One Hundred (RM100).

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>2,131,443</u>	<u>2,097,800</u>

DIVIDENDS

There were no dividends proposed, declared or paid during the financial year.

RESERVES AND PROVISIONS

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

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

YBrs. Dr. Mohamed bin Awang Lah	(Appointed w.e.f 17.10.2018)
YM. Raja Iskandar Shah Bin Raja Ibrahim Shah	
YBrs. En. Nik Abdul Aziz Bin Nik Yaacob	
YBrs. En. Mahizzan bin Mohd Fadzil	(Appointed w.e.f 17.10.2018)
YBhg. Dato' Dr. Mohd Ali bin Mohamad Nor	(Appointed w.e.f 2.11.2018, resigned w.e.f 18.3.2019)
YBrs. En. Mazmalek bin Mohamad	(Appointed w.e.f 2.11.2018, ceased w.e.f 18.3.2019)
(alternate director to YBhg. Dato' Dr. Mohd Ali bin Mohamad Nor)	
YBhg. Datuk Bridget Anne Chin Hung Yee	(Resigned w.e.f 1.5.2018)
YBhg. Tan Sri Dr. Sharifah Zarah Binti Syed Ahmad	(Ceased w.e.f 20.7.2018)
YBhg. Datuk Abdul Rashid Bin Bolong	(Ceased w.e.f 5.9.2018)
YBhg. Datuk Wira Rosli Bin Mat Hassan	(Ceased w.e.f 5.9.2018)

DIRECTORS' INTEREST

Since the Company is a company limited by guarantee without share capital, no directors held any shares in the Company during the financial year ended 31 December 2018.

DIRECTORS' BENEFITS

Since the end of last financial year, no director of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in Note 20 of the financial statement or fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm which the director is a member or with a company in which the director has a substantial financial interest.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for bad and doubtful debts and satisfied themselves that no bad debts had been written off and adequate provision had been made for bad and doubtful debts; and
- 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.

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

At the date of this report, the directors of the Group and of the Company are not aware of any circumstances which would render:

- the amount written off for bad debts, or the amount of the provision for bad and doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- the value attributed to the current assets of the Group and of the Company misleading.

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 Group and of the Company misleading or inappropriate.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statement misleading.

As at the date of this report, there does not exist:

- any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors:

- no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
- 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 Group and of the Company for the financial year in which this report is made.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the Director, Officer or Auditor of the Company.

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

AUDITORS

The auditors, Messrs. Khairuddin Hasyudeen & Razi, retire and have expressed their willingness to accept re-appointment.

The remuneration of the auditors is disclosed in Note 20 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of directors,



YBRS. DR. MOHAMED BIN AWANG LAH
Director



YM. RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH
Director

Kuala Lumpur
Dated: 30 APR 2019

MYNIC BERHAD
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

We, YBRS. DR. MOHAMED BIN AWANG LAH and YM. RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH, two of the directors of MYNIC BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 50 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of directors,



YBRS. DR. MOHAMED BIN AWANG LAH
Director



YM. RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH
Director

Kuala Lumpur
Dated: 30 APR 2019

MYNIC BERHAD
(Incorporated in Malaysia)

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016**

I, **YBRS. DR. MOHAMED BIN AWANG LAH**, the director primarily responsible for the accounting records and financial management of MYNIC BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 11 to 50 are to the best of my knowledge and belief, 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)

YBRS. DR. MOHAMED BIN AWANG LAH)

at Kuala Lumpur in the)

Federal Territory Kuala Lumpur on **30 APR 2019**


YBRS. DR. MOHAMED BIN AWANG LAH

Before me,



B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

KHR
**KHAIRUDDIN
HASYUDEEN
& RAZI**

Chartered Accountants
(AF 1161)



Trainee Development - Platinum



AUTHORISED
TRAINING EMPLOYER

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MYNIC BERHAD, which comprise the statement of financial position as at 31 December 2018 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 50.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.



Trainee Development - Platinum



AUTHORISED
TRAINING EMPLOYER

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD**

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Trainee Development - Platinum



AUTHORISED
TRAINING EMPLOYER

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Trainee Development - Platinum



AUTHORISED
TRAINING EMPLOYER

Company no. : 735031-H

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Khairuddin Hasyudeen & Razi

KHAIRUDDIN HASYUDEEN & RAZI
AF 1161

Chartered Accountants

Ahmad Khairuddin Saiteh

Ahmad Khairuddin Saiteh
01574/03/2021 J
Partner of the Firm

Kuala Lumpur

Dated: 30 April 2019

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		Group		Company	
	NOTE	2018 RM	2017 RM (Restated)	2018 RM	2017 RM (Restated)
ASSETS					
Non Current Assets					
Property, plant and equipment	5	3,679,077	4,092,882	3,679,077	4,092,882
Intangible assets	6	46,740	38,755	46,740	38,755
Investment in a subsidiary	7	-	-	2	2
		<u>3,725,817</u>	<u>4,131,637</u>	<u>3,725,819</u>	<u>4,131,639</u>
Current Assets					
Inventories	8	-	74,871	-	74,871
Trade receivables	9	2,126,946	6,561,219	2,126,946	6,561,219
Other receivables, deposits and prepayments	10	1,340,108	988,618	1,340,108	988,618
Amount due from a subsidiary company	11	-	-	-	28,196
Other investments	12	24,048,900	23,742,000	24,048,900	23,742,000
Cash and cash equivalents	13	10,646,071	7,982,753	10,646,069	7,982,751
		<u>38,162,025</u>	<u>39,349,461</u>	<u>38,162,023</u>	<u>39,377,655</u>
TOTAL ASSETS		<u>41,887,842</u>	<u>43,481,098</u>	<u>41,887,842</u>	<u>43,509,294</u>
EQUITY					
Accumulated funds		28,554,547	26,423,104	28,554,897	26,457,097
Total Equity		<u>28,554,547</u>	<u>26,423,104</u>	<u>28,554,897</u>	<u>26,457,097</u>
LIABILITIES					
Non Current Liabilities					
Deferred income	14	11,641,612	14,867,120	11,641,612	14,867,120
Deferred tax liabilities	15	-	7,600	-	7,600
		<u>11,641,612</u>	<u>14,874,720</u>	<u>11,641,612</u>	<u>14,874,720</u>
Current Liabilities					
Trade payables	16	739,714	154,342	739,714	154,342
Other payables and accruals	17	951,969	1,444,433	951,619	1,438,636
Provision for taxation		-	584,499	-	584,499
		<u>1,691,683</u>	<u>2,183,274</u>	<u>1,691,333</u>	<u>2,177,477</u>
Total Liabilities		<u>13,333,295</u>	<u>17,057,994</u>	<u>13,332,945</u>	<u>17,052,197</u>
TOTAL EQUITY AND LIABILITIES		<u>41,887,842</u>	<u>43,481,098</u>	<u>41,887,842</u>	<u>43,509,294</u>

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

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	NOTE	Group		Company	
		2018	2017	2018	2017
		RM	RM	RM	RM
			(Restated)		(Restated)
Revenue	18	11,848,825	6,706,560	11,848,825	6,706,560
Other income	19	5,944,476	7,352,712	5,944,476	7,352,712
Total income		17,793,301	14,059,272	17,793,301	14,059,272
Staff costs	22	(6,265,770)	(6,423,715)	(6,265,770)	(6,423,715)
Conference and seminar		(2,381,646)	(1,368,579)	(2,381,646)	(1,368,579)
Network, hardware and software maintenance		(1,831,949)	(2,171,374)	(1,831,949)	(2,171,374)
Depreciation and amortisation		(1,078,819)	(1,177,598)	(1,078,819)	(1,177,598)
Building and facilities		(786,708)	(830,469)	(786,708)	(830,469)
Other operating expenses		(2,053,177)	(2,871,328)	(2,086,820)	(2,988,199)
Excess/(Deficit) of income over expenditures before tax	20	3,395,232	(783,791)	3,361,589	(900,662)
Taxation	21	(1,263,789)	(1,593,054)	(1,263,789)	(1,593,054)
Excess/(Deficit) of income over expenditures		2,131,443	(2,376,845)	2,097,800	(2,493,716)

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

MYNIC BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Accumulated funds RM
Balance as at 31 December 2016	28,799,949
Excess of income over expenditures	
- As previously stated	3,160,057
- Effects on adoption of MFRS 15	(5,536,902)
Restated: Deficit of income over expenditures	(2,376,845)
Balance as at 31 December 2017	26,423,104
Excess of income over expenditures	2,131,443
Balance as at 31 December 2018	28,554,547

Company	Accumulated funds RM
Balance as at 31 December 2016	28,950,813
Excess of income over expenditures	
- As previously stated	3,043,186
- Effects on adoption of MFRS 15	(5,536,902)
Restated: Deficit of income over expenditures	(2,493,716)
Balance as at 31 December 2017	26,457,097
Excess of income over expenditures	2,097,800
Balance as at 31 December 2018	28,554,897

MYNIC BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
		(Restated)		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess/(Deficit) of income over expenditures before taxation	3,395,232	(783,791)	3,361,589	(900,662)
Adjustments for:				
Amortisation of intangible assets	6,273	3,549	6,273	3,549
Credit recognised for government grant	(4,699,442)	(5,541,847)	(4,699,442)	(5,541,847)
Depreciation	1,072,546	1,174,049	1,072,546	1,174,049
Impairment loss on trade receivables	118,539	-	118,539	-
Other receivables written off	-	7,647	-	7,647
Amount due from a subsidiary written off	-	-	40,031	124,133
Inventories written off	-	460,100	-	460,100
Interest income	(1,239,901)	(1,089,186)	(1,239,901)	(1,089,186)
Loss on disposal of property, plant and equipment	-	24,811	-	24,811
Operating loss before working capital changes	(1,346,753)	(5,744,668)	(1,340,365)	(5,737,406)
Decrease/(Increase) in trade and other receivables	3,964,244	(3,808,766)	3,952,409	(3,808,766)
Decrease in inventory	74,871	28,363	74,871	28,363
(Decrease)/Increase in trade and other payables	(499,191)	179,054	(493,744)	(280,031)
Increase in amount due from a subsidiary company	-	-	-	(4,025)
Cash generated from/(used in) operations	2,193,171	(9,346,017)	2,193,171	(9,801,865)
Tax paid	(1,263,789)	(1,593,054)	(1,263,789)	(1,593,054)
Net cash generated from/ (used in) operating activities	929,382	(10,939,071)	929,382	(11,394,919)

MYNIC BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Continued

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 5)	(658,741)	(810,546)	(658,741)	(810,546)
Interest received	1,239,901	1,089,186	1,239,901	1,089,186
Purchase of intangible assets (Note 6)	(14,258)	(17,712)	(14,258)	(17,712)
Net cash generated from investing activities	566,902	260,928	566,902	260,928
CASH FLOWS FROM FINANCING ACTIVITIES				
Additional government grants	7,416,500	4,512,200	7,416,500	4,512,200
Deferred income	(5,942,566)	4,143,409	(5,942,566)	4,149,257
Net cash provided by financing activities	1,473,934	8,655,609	1,473,934	8,661,457
Net increase/(decreased) in cash and cash equivalents	2,970,218	(2,022,534)	2,970,218	(2,472,534)
Cash and cash equivalents brought forward	31,724,753	33,747,287	31,724,751	33,747,285
Cash and cash equivalents carried forward (Note 13)	34,694,971	31,724,753	34,694,969	31,274,751

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

1. GENERAL

- (a) The Company is acting as the network information centre for Malaysia under the Ministry of Communications and Multimedia Malaysia ("KKMM"). The principal activities of the Company are to manage, control, operate, develop and administer the .my country code top level domain, internet names, numbers, addresses, resources and all other related activities and services. The principal activities of the subsidiary company are described in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a company limited by guarantee, not having a share capital, not for profit, incorporated and domiciled in Malaysia. Currently, the Company has 2 members. In the event that the Company is wound up, a member or a person who was a member twelve months prior to that event is liable to contribute to the assets of the Company a sum not exceeding Ringgit Malaysia One Hundred (RM100).

- (b) The principal place of business is located at Unit 3.2 & 4, Level 3, Block C, Mines Waterfront Business Park, No. 3 Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.
- (c) The registered office is located at Suite C-5-4, Wisma Goshen, Plaza Pantai, Jalan Pantai Baharu, 59200 Kuala Lumpur.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the Companies Act, 2016 in Malaysia.

On 1 January 2018, the Group and the Company have adopted the following accounting standards and amendments of the MFRS that have been issued by the Malaysian Accounting Standards Board (MASB):

- MFRS 9 *Financial Instruments*
- MFRS 15 *Revenue from Contracts with Customers*

The adoption of MFRS 15 has material effect on the financial performance and position of the Group and of the Company. These changes also result in significant changes in the accounting policies of the Group and of the Company.

The impact of the adoption of MFRS 15 on the Group and the Company's reported financial statements are disclosed in Note 26.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (MASB) which are not yet effective and have not been adopted by the Group and the Company:

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020:

- Amendments to MFRS 101, *Presentation of Financial Statements – Definition of Material*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021:

- MFRS 17, *Insurance Contracts*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2019 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2019.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, *IC Interpretation 4, Determining whether an Arrangement contains a Lease*, *IC Interpretation 115, Operating Leases – Incentives* and *IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group and the Company are in the process of assessing the financial effects of the amendments and improvements to MFRS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 4.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group and the Company's functional currency, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 6 - Intangible assets
- Note 9 - Trade receivables
- Note 18 - Revenue

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

3. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 30 April 2019.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Financial instruments**(i) Initial recognition and measurement**

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement**Financial assets**

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income**(i) Debt investments**

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (i) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

- (ii) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel; or
- (iii) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party.

On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(c) **Property, plant and equipment**(i) **Recognition and measurement**

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on a fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) **Subsequent costs**

The cost of a component part of an item or property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is based on the cost of an asset, or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives are at the following rates:

IT equipments	20 - 33 1/3%
Furniture and fittings	10%
Motor vehicles	10%
Office equipment	20%
Renovation and improvement	10%

Depreciation methods, useful lives and residual value are reviewed and adjusted as appropriate at end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

(d) **Intangible asset**

(i) **Other intangible assets**

Intangible assets, other than goodwill, that are acquired by the Group and the Company, which have finite useful lives are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) **Amortisation**

Amortisation is based on the cost of an asset less its residual value.

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Patents and trademarks 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(e) **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018

(f) **Impairment**

(i) **Financial assets**

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account.

(ii) **Other assets**

The carrying amounts on other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or groups of asset (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

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An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(g) Other investments

Other investment is stated at cost less provision for diminution in value of investment to recognise any decline, other than a temporary decline, in the value of the investments.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of a time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Revenue and other income

(i) Services

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company transfer control of a good at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform;
- (b) the Group and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group and the Company's performance do not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

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(ii) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group and the Company will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group and the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(j) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

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A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(k) Employee benefits

Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group and the Company's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(l) Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies of the Group and the Company entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at the date.

Non-monetary assets and liabilities denominated in foreign currencies are not translated at the end of the reporting date, except for those that are measured at the fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

The closing rate used in the translation is as follows:

1 USD RM 4.1385 (2017: USD RM 4.0620)
1 EUR RM 4.7340 (2017: EUR RM 4.8510)

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(m) Inventories

Software is measured at the lower of cost and net realisable value. The cost of inventories is based on the first in, first out principle.

(n) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable for the asset or liability, either directly or indirectly.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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5. PROPERTY, PLANT AND EQUIPMENT
Group and Company

	COST		
	Balance as at		Balance as at
	1.1.2018	Additions	31.12.2018
	RM	RM	RM
IT equipment	8,570,760	189,624	8,760,384
Furniture and fittings	173,378	1,450	174,828
Motor vehicles	155,346	-	155,346
Office equipment	240,314	4,496	244,810
Renovation and improvement	551,762	3,870	555,632
Capital work-in-progress	454,213	459,301	913,514
	10,145,773	658,741	10,804,514

	ACCUMULATED DEPRECIATION		
	Balance as at		Balance as at
	1.1.2018	Additions	31.12.2018
	RM	RM	RM
IT equipment	5,296,492	965,971	6,262,463
Furniture and fittings	108,028	11,179	119,207
Motor vehicles	85,441	31,069	116,510
Office equipment	187,687	19,273	206,960
Renovation and improvement	375,243	45,054	420,297
Capital work-in-progress	-	-	-
	6,052,891	1,072,546	7,125,437

	NET CARRYING VALUE		Depreciation
	2018	2017	2017
	RM	RM	RM
IT equipment	2,497,921	3,274,268	1,024,913
Furniture and fittings	55,621	65,350	14,550
Motor vehicles	38,836	69,905	31,069
Office equipment	37,850	52,627	33,483
Renovation and improvement	135,335	176,519	70,034
Capital work-in-progress	913,514	454,213	-
	3,679,077	4,092,882	1,174,049

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Included in property, plant and equipment of the Group are fully depreciated assets which are still in use as follows:

	Group and Company	
	2018	2017
	RM	RM
IT equipment	3,762,312	3,515,608
Furniture and fittings	63,480	45,775
Office equipment	109,160	97,611
Renovation and improvement	95,897	-
	4,030,849	3,658,994

Included in property, plant and equipment of the Group are assets with carrying values of RM3,278,984 (2017: RM3,666,934) which were acquired using the grants received from Ministry of Communications and Multimedia Malaysia ("KKMM").

Included in property, plant and equipment of the Group are Capital work-in-progress amounting to RM913,514 (2017: RM454,213) which consists of progress payments made by the Company for the purchases of software.

6. INTANGIBLE ASSETS

	Group and Company	
	2018	2017
	RM	RM
Trademarks		
Cost		
At 1 January	53,201	35,489
Additions for the year	14,258	17,712
At 31 December	67,459	53,201
Accumulated amortisation		
At 1 January	14,446	10,897
Charged for the year	6,273	3,549
At 31 December	20,719	14,446
Net carrying amount		
At 31 December	46,740	38,755

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7. INVESTMENT IN A SUBSIDIARY

	Company	
	2018 RM	2017 RM
Unquoted shares, at cost	<u>2</u>	<u>2</u>

The subsidiary incorporated in Malaysia, is:

Name of company	Paid up capital RM	Group's effective interest (%)		Principal activity
		2018	2017	
Ebiz1 Asia Sdn. Bhd.	2	100	100	Dormant

8. INVENTORIES

	Group and Company	
	2018 RM	2017 RM
At cost:		
PSB licence	<u>-</u>	<u>74,871</u>

9. TRADE RECEIVABLES

	Group and Company	
	2018 RM	2017 RM
Trade receivables	2,629,215	6,944,949
Less: Accumulated impairment losses	(502,269)	(383,730)
	<u>2,126,946</u>	<u>6,561,219</u>

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10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group and Company	
	2018 RM	2017 RM
Other receivables	511,956	421,284
Deposits and prepayments	444,772	450,388
Tax recoverable	383,380	116,946
	<u>1,340,108</u>	<u>988,618</u>

11. AMOUNT DUE FROM A SUBSIDIARY COMPANY

The amount is unsecured, interest free and repayable on demand.

12. OTHER INVESTMENTS

	Group and Company	
	2018 RM	2017 RM
Deposits with licensed banks	<u>24,048,900</u>	<u>23,742,000</u>

In accordance with MFRS 107, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Therefore, an investment normally qualifies as a cash equivalents only when it has a short maturity of, say, three months or less from the date of acquisition.

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13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash in hand and at banks	9,520,002	2,579,753	9,520,000	2,579,751
Deposits with licensed banks	25,174,969	29,145,000	25,174,969	29,145,000
	34,694,971	31,724,753	34,694,969	31,724,751
Less:				
Other investments (deposits more than 3 months)	(24,048,900)	(23,742,000)	(24,048,900)	(23,742,000)
	10,646,071	7,982,753	10,646,069	7,982,751

14. DEFERRED INCOME

	Group and Company	
	2018	2017
	RM	RM
		(Restated)
Government grants	10,238,819	7,521,761
Domain name registrations	1,402,793	7,345,359
	11,641,612	14,867,120

Government Grants

	Group and Company	
	2018	2017
	RM	RM
Balance at the beginning of the year	7,521,761	8,551,408
Additions during the year	7,416,500	4,512,200
	14,938,261	13,063,608
Credit recognised for government grants in the income statements	(4,699,442)	(5,541,847)
Balance at the end of the year	10,238,819	7,521,761

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Domain Name Registrations

Domain name registration and renewal revenue received in advance from customers and resellers are accounted for as deferred income and recognised over the respective periods to correlate with the service obligations or actual usage, as applicable.

15. DEFERRED TAX LIABILITIES

	Group and Company	
	2018	2017
	RM	RM
Deferred tax liabilities	-	7,600

The balance in the deferred taxation is made up of tax effects of temporary differences arising from:

	Group and Company	
	2018	2017
	RM	RM
Capital allowances in excess of depreciation	-	7,600

16. TRADE PAYABLES

	Group and Company	
	2018	2017
	RM	RM
Trade payables	739,714	154,342

17. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables	267,426	244,487	267,076	238,690
Accruals	684,543	1,199,946	684,543	1,199,946
	951,969	1,444,433	951,619	1,438,636

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18. REVENUE

	Group and Company	
	2018	2017
	RM	RM
		(Restated)
Domain name subscriptions	10,620,585	12,210,201
Domain name subscriptions - Impact on MFRS 15	-	(5,536,902)
Business Online Bundle (BOB)	-	28,418
Hosting Fees	259,829	2,203
Antivirus	316,529	-
Email	90,208	2,640
GO2	180,746	-
Others	380,928	-
	<u>11,848,825</u>	<u>6,706,560</u>

19. OTHER INCOME

	Group and Company	
	2018	2017
	RM	RM
Government grant		
- development	919,628	955,789
- operating	3,779,814	4,586,058
Interest income	1,239,901	1,089,186
Miscellaneous	5,133	75,248
Training and seminar	-	646,431
	<u>5,944,476</u>	<u>7,352,712</u>

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20. EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURES

Excess/(Deficit) of income over expenditures is arrived at after charging the following items:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Auditors' remuneration	26,500	24,500	25,000	23,000
Amortisation	6,273	3,549	6,273	3,549
Depreciation	1,072,546	1,174,049	1,072,546	1,174,049
Directors' remuneration	253,392	314,129	253,392	314,129
Loss on disposal of property, plant and equipment	-	24,811	-	24,811
Rental of premises	633,136	637,509	633,136	637,509
Rental of photocopy machine	10,620	11,100	10,620	11,100
Impairment loss on trade receivables	118,539	-	118,539	-
Other receivables written off	-	7,647	-	7,647
Amount due from a subsidiary written off	-	-	40,031	124,133
Inventories written off	-	460,100	-	460,100

21. TAXATION

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Current income tax expense	1,097,460	1,800,000	1,097,460	1,800,000
Under/(Over) provision of taxation in prior years	173,929	(206,946)	173,929	(206,946)
Reversal of deferred tax liabilities	(7,600)	-	(7,600)	-
	<u>1,263,789</u>	<u>1,593,054</u>	<u>1,263,789</u>	<u>1,593,054</u>

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Reconciliation of tax expense with excess/(deficit) of income over expenditures:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
		(Restated)		(Restated)
Excess/(Deficit) of income over expenditures	3,395,232	(783,791)	3,361,589	(900,662)
Tax at the current income tax rate of 28%	950,665	(219,462)	941,245	(252,185)
Tax effect in respect of:				
Non-allowable expenses	1,856,867	3,704,007	1,866,286	3,736,730
Non-taxable income	(1,315,844)	(1,551,717)	(1,315,844)	(1,551,717)
Utilisation of capital allowances	(17,203)	(24,493)	(17,202)	(24,493)
Reversal of deferred tax liabilities	(7,600)	-	(7,600)	-
Under/(Over) provision of taxation in prior years	173,929	(206,946)	173,929	(206,946)
Effect on the reductions of income tax rate	(377,025)	(108,335)	(377,025)	(108,335)
Tax expense	1,263,789	1,593,054	1,263,789	1,593,054

22. STAFF COSTS

	Group and Company	
	2018	2017
	RM	RM
Salaries, allowances and bonus	4,717,422	4,916,296
EPF contributions	784,726	841,640
SOCSSO contributions	56,232	47,249
Other staff related expenses	707,390	618,530
	6,265,770	6,423,715

The number of employees in the Group and the Company at the end of the financial year was 68 (2017: 66).

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23. CAPITAL COMMITMENT

Capital expenditure for property, plant and equipment approved by the Directors but not provided for in the financial statements.

	Group and Company	
	2018	2017
	RM	RM
Authorised and contracted for:		
Capital expenditure for consultancy and hardware and software maintenance	512,763	906,064

24. CAPITAL RISK MANAGEMENT

The Group regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated funds for future operational needs.

For the purposes of capital disclosure, the Board regards the accumulated funds as capital of the Group.

25. FINANCIAL INSTRUMENTS
(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Amortised cost ("AC");
- (ii) Fair value through profit or loss ("FVTPL"); and
- (iii) Fair value through other comprehensive income ("FVOCI")

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	Carrying amount RM	AC RM
2018		
Group		
Financial assets		
Trade and other receivables	3,467,054	3,467,054
Other investments	24,048,900	24,048,900
Cash and cash equivalents	10,646,071	10,646,071
	<u>38,162,025</u>	<u>38,162,025</u>
Financial liabilities		
Trade and other payables	<u>(1,691,683)</u>	<u>(1,691,683)</u>
Company		
Financial assets		
Trade and other receivables	3,467,054	3,467,054
Other investments	24,048,900	24,048,900
Cash and cash equivalents	10,646,069	10,646,069
	<u>38,162,023</u>	<u>38,162,023</u>
Financial liabilities		
Trade and other payables	<u>(1,691,333)</u>	<u>(1,691,333)</u>
2017		
Group		
Financial assets		
Trade and other receivables	7,549,837	7,549,837
Other investments	23,742,000	23,742,000
Cash and cash equivalents	7,982,753	7,982,753
	<u>39,274,590</u>	<u>39,274,590</u>
Financial liabilities		
Trade and other payables	<u>(1,598,775)</u>	<u>(1,598,775)</u>

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	Carrying amount RM	L&R/ (OL) RM
2017		
Company		
Financial assets		
Trade and other receivables	7,549,837	7,549,837
Amount due from a subsidiary company	28,196	28,196
Other investments	23,742,000	23,742,000
Cash and cash equivalents	7,982,751	7,982,751
	<u>39,302,784</u>	<u>39,302,784</u>
Financial liabilities		
Trade and other payables	<u>(1,592,978)</u>	<u>(1,592,978)</u>

(b) **Financial risk management**

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

(c) **Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and the Company's exposure to credit risk arises principally from its receivables from individual characteristics of each customer, related parties, other investments and cash and cash equivalents. There are no significant changes as compared to the prior periods.

(i) **Trade receivables**

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

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The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the prior periods.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The Group and the Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2018 which are grouped together as they are expected to have similar risk nature.

	Gross RM	Individual impairment RM	Net RM
2018			
Group and Company			
Past due 0-30 days	1,997,621	-	1,997,621
Past due 31-120 days	108,500	-	108,500
Past due more than 120 days	523,094	(502,269)	20,825
	2,629,215	(502,269)	2,126,946
2017			
Group and Company			
Past due 0-30 days	5,871,940	-	5,871,940
Past due 31-120 days	61,058	-	61,058
Past due more than 120 days	1,011,951	(383,730)	628,221
	6,944,949	(383,730)	6,561,219

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The movements in the provision for impairment losses of trade receivables during the year were:

	Group and Company	
	2018	2017
	RM	RM
At 1 January	383,730	383,730
Impairment loss recognised	118,539	-
At 31 December	502,269	383,730

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered is irrecoverable is written off against the receivables directly.

(i) Other investments and cash and cash equivalents

The other investments and cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company's exposure to liquidity risk arises principally from its various payables.

The Group and the Company maintains a level of cash and cash equivalents deemed adequate by the Management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The holding company provides an undertaking to provide financial support for any financial obligations of the Company that may arise.

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(e) Maturity analysis

The table below summarises the maturity profile of the Group and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM
2018				
<i>Non-derivative financial liabilities</i>				
Trade payables	739,714	-	739,714	739,714
Other payables and accruals	951,969	-	951,969	951,969
	<u>1,691,683</u>		<u>1,691,683</u>	<u>1,691,683</u>

Company	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM
2018				
<i>Non-derivative financial liabilities</i>				
Trade payables	739,714	-	739,714	739,714
Other payables and accruals	951,619	-	951,619	951,619
	<u>1,691,333</u>		<u>1,691,333</u>	<u>1,691,333</u>

Group	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM
2017				
<i>Non-derivative financial liabilities</i>				
Trade payables	154,342	-	154,342	154,342
Other payables and accruals	1,444,433	-	1,444,433	1,444,433
	<u>1,598,775</u>		<u>1,598,775</u>	<u>1,598,775</u>

Company	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM
2017				
<i>Non-derivative financial liabilities</i>				
Trade payables	154,342	-	154,342	154,342
Other payables and accruals	1,438,636	-	1,438,636	1,438,636
	<u>1,592,978</u>		<u>1,592,978</u>	<u>1,592,978</u>

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(f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group and the Company's financial position or cash flows.

(i) Currency risk

The Group and the Company are not exposed to foreign currency risk as the Group and the Company does not has foreign currency transactions in sales, purchases and borrowings that are denominated in a currency other than the Group and the Company's functional currency.

(ii) Interest rate risk

The Group and Company's deposits placed with licensed banks and borrowings are subject to fixed interest rates, are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and Company adopt a policy of investing and borrowing mainly in fixed rate instruments to avoid the risk of fluctuation in interest rates.

Exposure to interest rate risk

The interest rate profile of the Group and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2018 RM	2017 RM
Group and Company		
Fixed rate instruments		
<u>Financial assets</u>		
Other investments	24,048,900	23,742,000
Fixed deposits	25,174,969	29,145,000
	<u>49,223,869</u>	<u>52,887,000</u>

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Interest rate risk sensitivity analysis

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(g) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

It is not practical to estimate the fair values of the Group and the Company's intercompany transactions without incurring excessive costs. However, the Group and the Company do not anticipate the carrying amounts recorded at the statement of financial position date to be significantly different from the values that would eventually be settled.

26. ADOPTION OF NEW ACCOUNTING STANDARDS, MFRS 9 AND MFRS 15

During the year, the Group and the Company adopted MFRS 15, Revenue from Contracts with Customers and MFRS 9, Financial Instruments on their financial statements. The Group and the Company generally applied the requirements of these accounting standards retrospectively with practical expedients and transitional exemptions as allowed by the standards. Nevertheless, as permitted by MFRS 9, the Group and Company have elected not to restate the comparative.

The following tables summarise the impact arising from the adoption of MFRS 15 on the Group's and the Company's financial statements.

(a) Statement of financial position

Group

	31 December 2017		
	As previously reported RM	MFRS 15 adjustments RM	As restated RM
Accumulated funds	31,960,006	(5,536,902)	26,423,104
Deferred income	9,330,218	5,536,902	14,867,120

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Company

	As previously reported RM	31 December 2017 MFRS 15 adjustments RM	As restated RM
Accumulated funds	31,993,999	(5,536,902)	26,457,097
Deferred income	9,330,218	5,536,902	14,867,120

(b) Statement of profit or loss and other comprehensive income

Group and Company

	As previously reported RM	MFRS 15 adjustments RM	As restated RM
For the year ended 31 December 2017			
Revenue	12,243,462	(5,536,902)	6,706,560

(c) Statement of cash flows

Group

	As previously reported RM	MFRS 15 adjustments RM	As restated RM
For the year ended 31 December 2017			
Excess/(Deficit) of income over expenditure	4,753,111	(5,536,902)	(783,791)

Company

	As previously reported RM	MFRS 15 adjustments RM	As restated RM
For the year ended 31 December 2017			
Excess/(Deficit) of income over expenditure	4,636,240	(5,536,902)	(900,662)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2018**27. COMPARATIVE FIGURES**

The presentation and classification of items in the current year and previous year financial statements are as follows:

Statements of Profit or Loss and Other Comprehensive Income

	As stated RM	As previously reported RM
Group		
Cost of service rendered	-	4,615,063
Administrative expenses	-	9,735,442
Staff cost and benefits	6,423,715	-
Conference and seminar	1,368,579	-
Network, hardware and software maintenance	2,171,374	-
Depreciation and amortisation	1,177,598	-
Building and facilities	830,469	-
Other operating expenses	2,871,328	492,558

	As stated RM	As previously reported RM
Company		
Cost of service rendered	-	4,615,063
Administrative expenses	-	9,728,180
Staff cost and benefits	6,423,715	-
Conference and seminar	1,368,579	-
Network, hardware and software maintenance	2,171,374	-
Depreciation	1,177,598	-
Building and facilities	830,469	-
Other operating expenses	2,988,199	616,691

Changes due to reclassification of cost of service rendered being included in administrative expenses.



MYNIC Berhad (735031-H)
Level 3, Tower 2,
Menara Cyber Axis,
Jalan Impact,
63000 Cyberjaya
Selangor Darul Ehsan, Malaysia

t +603 8008 2000 w mynic.my
f +603 8008 2020 MYNIC Berhad