

LAPORAN TAHUNAN 2014

.mynic

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TENTANG MYNIC

MYNIC Berhad adalah sebuah agensi di bawah Kementerian Komunikasi & Multimedia Malaysia (KKMM) dan dikawal selia oleh Suruhanjaya Komunikasi dan Multimedia Malaysia (SKMM).

MYNIC merupakan pentadbir tunggal untuk semua alamat web yang berakhir dengan .my di Malaysia. Sebagai nama domain nasional, MYNIC memberikan keunikan identiti di internet kepada organisasi dan individu Malaysia.

VISI

Untuk menjadi penyedia pendaftaran dan perkhidmatan alamat internet yang paling inovatif di Asia Pasifik.

MISI

Cemerlang dalam perkhidmatan pendaftar internet di Malaysia untuk mencipta identiti yang unik kepada komuniti internet.



FUNGSI UTAMA

1. Pentadbir tunggal nama domain di Malaysia (ccTLD) yang melibatkan pendaftaran nama domain, penyelenggaraan dan operasi nama domain .my.

2. Penggerak teknologi dan pembangunan polisi nama domain.

3. Pemangkin perniagaan dalam talian di Malaysia melalui platform e-dagang, latihan keusahawanan kepada para pelajar, belia, wanita, IKS dan orang awam.

MYNIC MENTADBIR LAPAN KATEGORI NAMA DOMAIN

.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 yang berkaitan persatuan/ pertubuhan.
.gov.my	kementerian dan agensi kerajaan Malaysia sahaja.
.edu.my	institusi pendidikan Malaysia sahaja.
.mil.my	agensi ketenteraan Malaysia sahaja.
.name.my	bagi individu warganegara dan bukan warganegara yang menetap di Malaysia sahaja.

MAKLUMAT KORPORAT

Nama Syarikat	: MYNIC Berhad (735031-H)
Tarikh diperbadankan	: 24 Mei 2006
Alamat Tetap	: Aras 3, Blok C Mines Waterfront Business Park No. 3, Jalan Tasik, The Mines Resort City 43300 Seri Kembangan, Selangor, 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

KATA-KATA ALUAN KETUA PEGAWAI EKSEKUTIF

Tahun 2014 merupakan tahun yang penuh dengan cabaran bagi saya dalam mengetuai sebuah organisasi tunggal yang memacu pentadbiran nama domain .MY. Saya sangat teruja diberi kesempatan untuk bersama warga yang berdedikasi dan bersemangat dalam mentadbir nama domain negara.

Nama domain bukan sekadar memberikan identiti tetapi ia ibarat hartanah dalam dunia internet. Justeru banyak perkara yang perlu diusahakan untuk mengembangkan penggunaan nama domain di kalangan pengguna internet.

Pelbagai kejayaan telah kami lalui sepanjang tahun ini antaranya dengan menjadi penganjur bersama bagi Mesyuarat Asia Pacific Top Level Domain Association (APTLD), yang ke-64 di Petaling Jaya, Selangor, melaksanakan program peringkat nasional seperti Fiesta Blogshop dan Seminar Usahawan Anak Merdeka yang mana ia merupakan koordinasi seratus peratus kakitangan MYNIC dengan kehadiran pengunjung melebihi 5000 orang. Selain itu pelaksanaan bengkel laman web myBuddies yang melibatkan peserta seramai lebih 1400 orang dari golongan usahawan dan belia disekitar Lembah Klang. Penambahbaikan terhadap sistem perkhidmatan MYNIC juga menunjukkan kami sentiasa bertindak proaktif demi kesejahteraan pelanggan-pelanggan setia MYNIC.

Saya juga ingin merakamkan ucapan terima kasih kepada Menteri KKMM, YB Dato' Sri Ahmad Shabery Cheek, Ketua Setiausaha KKMM, YBhg Dato' Sri Abdul Rahim Mohamed Radzi, pengurusan KKMM, ahli-ahli Lembaga Pengarah dan kakitangan MYNIC atas kerjasama yang diberikan.

Melihat kejayaan MYNIC pada tahun ini, secara tidak langsung menyuntik keterujaan untuk saya mempelopori dan memperluaskan lagi horizon organisasi ini melalui prospek-prospek yang lebih mencabar selaras dengan matlamat kerajaan untuk kelestarian negara dan kesejahteraan masyarakat Malaysia.

Hasnul Fadhly Hasan
Ketua Pegawai Eksekutif



KEPIMPINAN MYNIC

AHLI LEMBAGA PENGARAH

YBhg. Datuk Bridget Anne Chin Hung Yee (Pengerusi)
YBhg. Dato' Dr. Rosli Mohamed
YBhg. Dato' Sri Abdul Rahim Mohamed Radzi
YBhg. Dato' Wira Rosli Hasan
YM Tengku Farith Rithauddeen
YBrs. En. Nik Abdul Aziz Nik Yaacob
YBr. Cik Susanna Lim Wei Loong

PENGURUSAN KANAN



Hasnul Fadhly Hasan
KETUA PEGAWAI EKSEKUTIF



Norsuzana Harun
KETUA PEGAWAI OPERASI

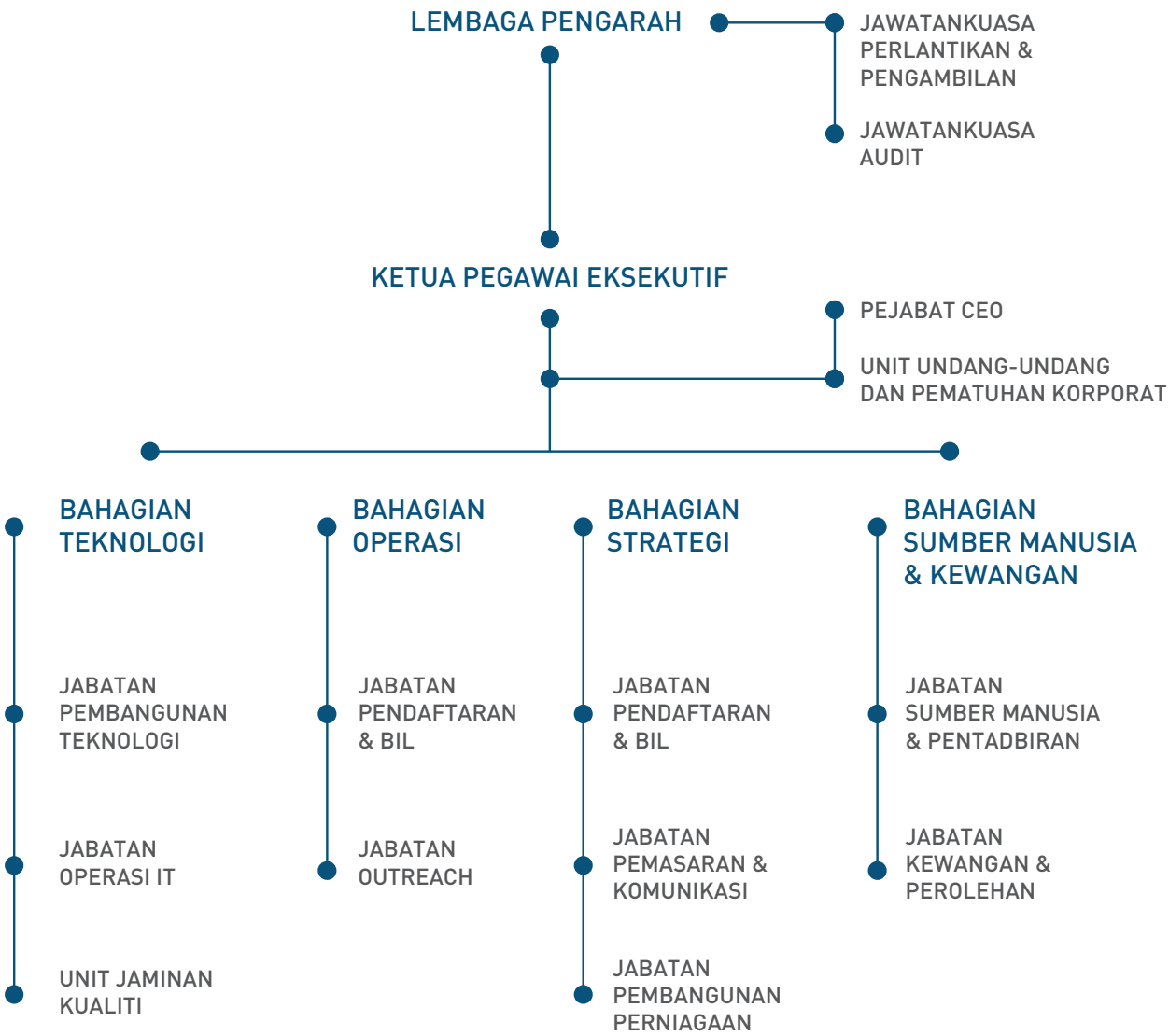


Norzaiton Senusi
KETUA PEGAWAI KEWANGAN



Talib Sabri Sulaiman
KETUA PEGAWAI STRATEGI

CARTA ORGANISASI



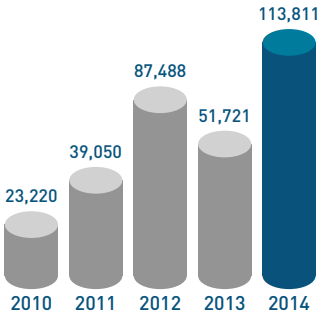
SEPINTAS LALU PENCAPAIAN 2010 - 2014

JUMLAH NAMA DOMAIN 2014

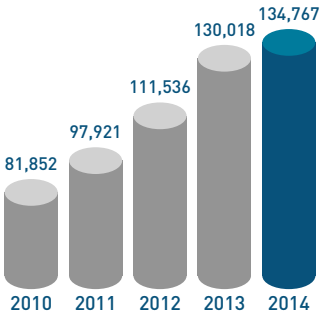
269,340



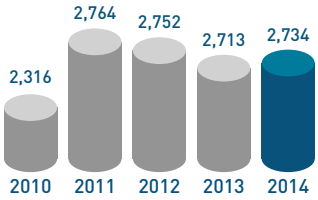
BILANGAN NAMA DOMAIN 2010 - 2014



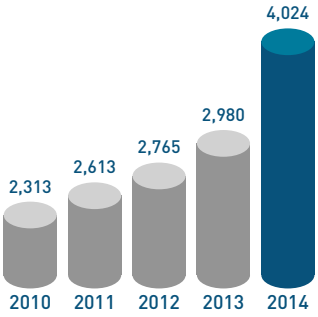
.my



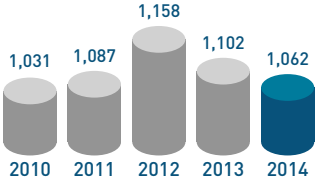
.com.my



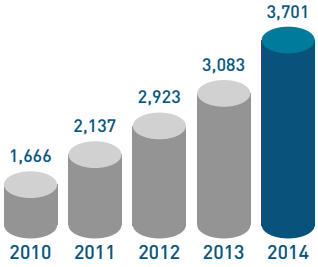
.net.my



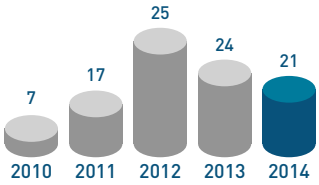
.org.my



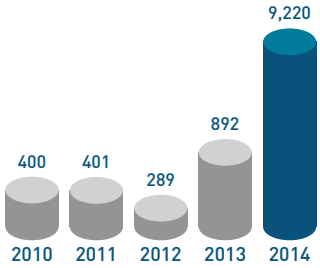
.gov.my



.edu.my



.mil.my



.name.my

PERISTIWA PENTING
2014

PENGLIBATAN ANTARABANGSA

Asian Domain Dispute Resolution Centre Conference (ADNDRC) 2014
18 Januari 2014

Kuala Lumpur Regional Centre for Arbitration (KLRCA) telah menjadi hos untuk Asian Domain Name Dispute Resolution Centre Conference (ADNDRC) 2014 yang telah berlangsung di Sheraton Imperial Kuala Lumpur. Persidangan ini merupakan satu platform bagi peserta untuk bertukar-tukar pandangan mengenai topik-topik penting seperti resolusi pertikaian nama domain. Selain menjadi pempamer dalam persidangan ini MYNIC yang diwakili oleh Cik Yeo Yee Ling, Pengurus Undang-Undang turut membentangkan kertas kerja bertajuk Dispute Resolution Policy from .MY ccTLD Perspective. Persidangan ini turut dihadiri oleh Pengarah KLRCA iaitu YBhg. Datuk Professor Sundra Rajoo.

Asia Pacific Top Level Domain Association (APTLD) Meeting
20-24 Februari 2014

Mesyuarat Agung Tahunan Asia Pacific Top Level Domain Association (APTLD) telah berlangsung pada 20 hingga 24 Februari 2014 di Sunway Resort Hotel and Spa, Petaling Jaya, Selangor. Sebanyak 18 negara Asia Pasifik telah menyertai mesyuarat tersebut termasuk Singapura, Korea, Vietnam, Filipina, Jepun, New Zealand, Australia, Papua New Guinea, Rusia dan China. Ucaptama mesyuarat tersebut telah disampaikan oleh YBrs Encik Toh Swee Hoe, Ketua Pegawai Kawal Selia Industri, Suruhanjaya Komunikasi dan Multimedia Malaysia.

Objektif mesyuarat tersebut adalah untuk bertukar-tukar maklumat dan kepakaran berkaitan industri nama domain, sebagai platform perbincangan berkaitan hal-hal polisi nama-nama domain dan juga sebagai penghubung di antara pendaftar nama domain seluruh dunia.

Antara isu-isu yang dibentangkan dalam mesyuarat tersebut adalah berkaitan Internationalised Domain Names (IDN), pendaftaran nama domain, Domain Name System Security Extensions (DNSSEC), perbincangan kontrak Internet Assigned Numbers Authority dan Internet Corporation for Assigned Names and Numbers serta pencapaian 2013. Ini diikuti dengan mesyuarat ahli-ahli APTLD dan Mesyuarat Agung Tahunan APTLD.

Antara negara yang membentangkan kertas kerja termasuklah Jepun (DS TTL Shortening Experience in .JP), Korea (DNSSEC Deployment in Korea), dan Thailand (Validation of Address Information: Translation and Transliteration to a Foreign Language). Sebagai penganjur bersama, MYNIC turut mengadakan sesi lawatan ke Kuala Lumpur dan Putrajaya serta jamuan makan malam untuk menjalin hubungan rapat di antara ahli-ahli APTLD.









PENGLIBATAN NASIONAL

National Intellectual Property Convention (NIPC 2014) 20 – 21 Mei 2014

MYNIC telah menyertai National Intellectual Property Convention (NIPC 2014) yang diadakan di Hotel Istana Kuala Lumpur sebagai penaja strategik. YBrs. En. Talib Sabri selaku Ketua Pegawai Strategi telah mewakili MYNIC sebagai salah seorang speaker dalam salah satu slot program tersebut dengan tajuk Domain Name: A New Breed of Property. MYNIC juga turut membuka booth pameran sebagai salah satu aktiviti pemasaran dan penjenamaan MYNIC.









Seminar Usawahan Anak Merdeka 28 Ogos 2015

Seminar Usahawan Anak Merdeka merupakan salah satu program yang dianjurkan bersempena dengan sambutan Kemerdekaan yang ke 57. Seminar ini adalah bagi berkongsi pengalaman dan idea dunia perniagaan dalam talian. Selain itu juga, ia turut menyediakan peluang perniagaan serta memberi motivasi kepada peniaga–peniaga dalam talian.

Antara speaker jemputan adalah Encik Muhammad Ammar Zaharudin, Ketua Pegawai Eksekutif Jootawan Group Sdn Bhd, Encik Ahmad Najmi Mahfodz, Ketua Pegawai Operasi Pos Laju, Encik Aliman Ali, Ketua Program Kewangan SME Bank, Encik Azizul Othman, Pengurus Pembangunan Perniagaan MOLPay Sdn Bhd, Puan Belle Al Yahya, Pengasas Belle Amamara, Encik Zamri Din, Jurugambar Professional, dan juga Encik Talib Sabri Sulaiman, Ketua Pegawai Strategi MYNIC Berhad.

Seminar yang telah berlangsung di Premiera Hotel Kuala Lumpur pada 28 Ogos 2014 ini telah menerima sambutan yang amat menggalakkan dengan mendapat penyertaan hampir 200 orang.











Program Minggu Kemerdekaan - Fiesta Blogshop
30-31 Ogos 2014

Bersempena dengan Sambutan Hari Kebangsaan yang ke-57 MYNIC telah mengadakan Fiesta Blogshop pada 30 – 31 Ogos 2014 yang berlangsung di Dataran Medan Pasar, Kuala Lumpur.

Inisiatif mengadakan fiesta ini adalah bertujuan untuk memberikan peluang kepada peniaga dalam talian untuk mempamerkan dan mempromosikan produk dan perkhidmatan mereka dengan lebih meluas. Ia merupakan perjumpaan yang unik untuk komuniti usahawan dalam talian dan pembeli media sosial yang datang dari latar belakang yang berbeza-beza. Hampir 200 peniaga terlibat dan lebih 5,000 pengunjung telah hadir ke fiesta ini.













PENAMBAHBAIKAN PERKHIDMATAN MYNIC

Email dan Hotline Baru untuk Khidmat Pelanggan
31 Disember 2014

Bagi kemudahan pelanggan .MY satu jaringaan penambahbaikan komunikasi dibuat oleh MYNIC melalui email customercare@MYNIC.my di mana ia membolehkan pihak MYNIC melayani segala pertanyaan daripada para pelanggan dan orang ramai dengan cepat dan berkesan.

Serentak dengan itu, nombor talian hotline baru untuk melaporkan sebarang insiden juga telah dilancarkan iaitu melalui talian 03-8991 7273 dan akan beroperasi 24 jam.

PENGLIBATAN BERSAMA KKMM

Lawatan Korporat Kementerian Komunikasi dan Multimedia Malaysia (KKMM) 14 Februari 2014

YB Dato' Sri Ahmad Shabery Cheek, Menteri KKMM bersama delegasi KKMM telah mengadakan lawatan ke MYNIC pada 14 Februari 2014. Kunjungan ini merupakan sesuatu yang bermakna bagi warga MYNIC yang merupakan salah satu agensi di bawah KKMM.

Lawatan ini memberi peluang kepada kementerian untuk mendapatkan maklumat terkini secara langsung berhubung pencapaian terbaru MYNIC dan perancangan untuk tahun 2014.






Karnival Belia Putrajaya 23-25 Mei 2014

Penyertaan MYNIC di Karnival Belia Putrajaya merupakan usaha MYNIC meningkatkan kesedaran mengenai kepentingan memiliki nama domain .my kepada golongan belia di Malaysia. Karnival ini merupakan anjuran Kementerian Belia dan Sukan yang telah berlangsung di Persiaran Perdana, Presint 4, Putrajaya. Pelbagai aktiviti dijalankan di gerai pameran MYNIC bagi menarik perhatian dan minat golongan belia seperti photo booth, kuiz dan pemberian cenderamata daripada MYNIC. Kunjungan mesra Puan Sri Nori Tun Abdullah iaitu isteri Menteri Belia dan Sukan turut memeriahkan lagi gerai pameran MYNIC.









Karnival Jalur Lebar 1Malaysia
14-15 September 2014

MYNIC telah menyertai Karnival Jalur Lebar 1Malaysia sebagai salah satu pempamer di Mahsuri Exhibition International Centre (MEIC), Langkawi. Karnival ini dianjurkan oleh Suruhanjaya Komunikasi dan Multimedia Malaysia (SKMM) dan Pejabat Parlimen Langkawi dengan kerjasama Lembaga Pembangunan Langkawi (LADA).

Karnival yang telah dirasmikan oleh YAB Dato' Seri Mohd Najib Tun Abdul Razak merupakan satu inisiatif Pemerkasaan Komunikasi Langkawi dan Jalur Lebar 1Malaysia di Langkawi bertujuan untuk mempromosikan penggunaan jalur lebar di kalangan rakyat negeri Kedah.

Kumpulan Inovatif Kreatif (KIK)
13 November 2014

MYNIC telah menyertai Kumpulan Inovatif Kreatif (KIK) yang telah dianjurkan oleh Kementerian Komunikasi dan Multimedia Malaysia (KKMM). Pembentangan kertas cadangan telah berlangsung di Finas, Hulu Kelang, Selangor. MYNIC telah membentangkan Kertas Cadangan untuk Bengkel 1Nita Bahagian Pantai Timur.

KIK merupakan satu kaedah untuk mengenal pasti cara menghasilkan sesuatu produk atau perkhidmatan melalui inovasi. Setiap cara membolehkan meningkatkan kualiti dan produktiviti sesuatu organisasi. Idea-idea ini boleh melibatkan perubahan dalam sistem dan prosedur, kaedah dan cara kerja.

Pertandingan Keceriaan Pejabat
18-19 November 2014

Pertandingan Keceriaan Pejabat Terbaik telah diadakan bersempena dengan Hari Inovasi Kementerian Komunikasi dan Multimedia Malaysia (KKMM) yang telah berlangsung pada 18-19 November 2014. Untuk julung kalinya MYNIC menyertai pertandingan ini dan telah dipilih sebagai Sekretariat bersama untuk pertandingan tersebut. Penilaian pertandingan telah berlangsung dari 3 sehingga 14 November 2014.

MYNIC telah berjaya mendapat tempat ketiga daripada 34 jabatan, agensi dan bahagian di bawah KKMM. Pencapaian ini adalah merupakan satu kebanggaan dan penghargaan kepada MYNIC.













WAKIL JUALAN SAH MYNIC

Mesyuarat Wakil Jualan Sah MYNIC
17- 27 Mac 2014

Mesyuarat bersama wakil jualan sah MYNIC di seluruh Malaysia adalah bagi berkongsi pelan pemasaran MYNIC, idea dan permasalahan wakil jualan MYNIC. Selain itu juga taklimat ringkas berkenaan Information Security Management System (ISMS) dan pengkemaskinian teknologi sistem pendaftaran domain juga dibuat bagi memastikan jualan nama domain dapat ditingkatkan.

Sesi Mesyuarat tersebut telah diadakan di lokasi berikut:

17 Mac 2014
Traders Hotel, Pulau Pinang

23 Mac 2014
KSL Hotel, Johor Bahru, Johor

24 - 27 Mac 2014
Club House Country Height, Kajang, Selangor

Malam Apresiasi untuk Wakil Jualan Sah MYNIC
15 November 2014

Malam apresirasi telah berlangsung di Dewan Seri Seroja, Presint Diplomatik, Putrajaya. Bertemakan Majlis Perkahwinan Tradisional Melayu ia merupakan malam yang indah apabila para tetamu disajikan dengan budaya Melayu yang penuh dengan warna-warni termasuklah paluan kompang, persembahan silat dan tarian kuda kepang.

Program ini adalah bagi menghargai kumulan Wakil Jualan MYNIC yang sentiasa menyokong dan membantu MYNIC dalam memastikan peninhgkatan jualan nama domain .my. MYNIC percaya hubungan yang rapat juga harus dijalinkan bagi membentuk satu jaringan komunikasi yang baik antara kedua-dua pihak sekaligus mencapai sasaran jualan.









PROGRAM MYNIC

Bengkel Laman Web myBuddies Sepanjang 2014

Sepanjang tahun 2014, MYNIC dengan kerjasama Livewebs Sdn Bhd telah mengadakan Bengkel Laman Web myBuddies. Bengkel ini mendapat penyertaan daripada golongan usahawan dan orang awam dengan objektif untuk memberi tunjuk ajar kepada peserta dalam pembangunan laman web dan bertindak sebagai medium rangkaian jaringan antara peserta. Bengkel ini telah dilaksanakan di sekitar Lembah Klang dan jumlah peserta yang telah mengikuti bengkel ini adalah seramai 1,408 orang. Peserta-peserta bengkel ini turut dibekalkan domain .com.my, .org.my dan .edu.my serta penghosan bagi menggalakkan jumlah kehadiran dalam talian.






Sepetang Bersama Blogger (SBB) 2014 8 Mac 2014

MYNIC merupakan rakan usaha sama untuk program Sepetang Bersama Blogger anjuran Denaihati Network 2014 yang telah berlangsung di Saloma Bistro. Program ini adalah untuk meraikan lebih 300 penulis blog dan aktivis media sosial dari Malaysia, Brunei dan Indonesia dan merupakan satu platform untuk mereka berkongsi maklumat serta melaksanakan aktiviti santai seperti cabutan bertuah. Melalui program ini juga MYNIC telah mengambil inisiatif memperkenalkan nama domain .my kepada setiap peserta dengan memetakan alamat blog mereka dengan domain my.








Program I'm CEO, Sepang, Selangor 22 Januari 2014

Ceramah kesedaran program I'm CEO bersempena program Enterprise Graduan Muda (EGM) di Hotel Seri Malaysia, Bagan Lalang, Sepang. Program ini mensasarkan golongan pelajar universiti dan kolej di Malaysia bagi mempelajari perniagaan dalam talian.





Program I'm CEO, UiTM Jengka, Pahang 9 Mac 2014

Program kerjasama antara UiTM bersama MYNIC khusus untuk pelajar-pelajar universiti supaya mereka dapat menerokai pengalaman perniagaan dalam talian. Kaunter pendaftaran telah dibuka dan ceramah kesedaran program I'm CEO telah diadakan Universiti Teknologi MARA (UiTM) Jengka, Pahang. Golongan pensyarah juga memandang positif terhadap program ini dan sambutan yang diterima di kalangan para pelajar UiTM amat menggalakkan.









Program I'm CEO Kick-Off Day 3 Jun 2014

I'm CEO Kick-Off Day telah dirasmikan oleh YBhg. Prof. Kehormat Dato' Dr. Abdullah Mohamad Said, Timbalan Canselor Perhubungan Pelajar Universiti Teknologi MARA (UiTM). MYNIC mensasarkan 50,000 pelajar universiti yang membabitkan pendaftaran nama domain melalui program ini. Program ini telah dirancang bagi menggalakan penyertaan di kalangan pelajar universiti untuk menjalankan perniagaan dalam talian sekaligus memberi pendedahan tentang kelebihan penggunaan nama domain .my dalam mengusahakan perniagaan dalam talian.







CSR Bersama SKMM Wilayah Sarawak, Medong Villange, Dalat 20-21 September 2014

MYNIC telah menyertai program Memperkasakan Komuniti dan Tanggungjawab Sosial Korporat (CSR) SKMM Wilayah Sarawak, Medong Villange, Dalat.

CSR Bersama SKMM DI Wilayah Tengah, Felda Sungai Tengi. 28 September 2014

MYNIC telah menyertai program Memperkasakan Komuniti dan Tanggungjawab Sosial Korporat (CSR) SKMM Wilayah Tengah, Felda Sungai Tengi.

WARGA MYNIC

Makan Malam Tahunan MYNIC 2014 17 Disember 2014

Makan Malam Tahunan MYNIC 2014 telah diadakan pada 17 Disember 2014 bertempat di Hotel Pullman Lakeside Putrajaya. Bertemakan "I'm A Celebrity" (Black & Red). Majlis ini turut dihadiri Pengerusi MYNIC, Y.Bhg. Datuk Bridget Anne Chin Hung Yee dan barisan Ahli Lembaga Pengarah yang lain.

Program ini adalah bagi meraikan pencapaian dan usaha yang berterusan daripada semua kakitangan MYNIC dalam memastikan kesinambungan dan kejayaan syarikat.











LAPORAN KEWANGAN 2014

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

31 DECEMBER 2014

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

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Server/Audit – NHI/MYNIC BERHAD 2014

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 2014.

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 after taxation	2,457,171	2,462,307
Unappropriated profits brought forward	17,663,623	17,796,177
Unappropriated profits carried forward	20,120,794	20,258,484

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.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

DIRECTORS OF THE COMPANY

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

Y. Bhg. Datuk Bridget Anne Chin Hung Yee	(Ceased w.e.f. 30.6.2014 and reappointed w.e.f 1.9.2014)
YM Raja Iskandar Shah bin Raja Ibrahim Shah	(Appointed w.e.f. 1.1.2015)
Datuk Wira Rosli bin Mat Hassan	(Appointed w.e.f. 1.6.2014)
Dato' Sri Abdul Rahim bin Mohamad Radzi	(Appointed w.e.f. 1.3.2014)
Mazmalek bin Mohamad (Alternate director to Dato' Sri Abdul Rahim bin Mohamad Radzi)	(Appointed w.e.f. 1.3.2014)
Lim Wei Loong	(Ceased w.e.f. 30.6.2014 and reappointed w.e.f 1.9.2014)
Nik Abdul Aziz bin Nik Yaacob	
YM Tengku Farith Rithauddeen	(Resigned w.e.f. 30.6.2014)
Dr. Mazalan bin Kamis	(Resigned w.e.f. 24.3.2014)
Dato' Dr. Rosli bin Mohamed	(Resigned w.e.f. 6.7.2014)

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 2014.

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

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

ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

i) 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

ii) 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 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:

i) 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

ii) 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:

i) 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

ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

AUDITORS

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

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

Y. BHG. DATUK BRIDGET ANNE CHIN HUNG YEE
Director

YM RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH
Director

Kuala Lumpur
Dated : 07 APR 2015

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

We, **Y. BHG. DATUK BRIDGET ANNE CHIN HUNG YEE** 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 9 to 38 are drawn up in accordance with the provisions of the Companies Act, 1965 and Malaysian Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 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,

Y. BHG. DATUK BRIDGET ANNE CHIN HUNG YEE
Director

YM RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH
Director

Kuala Lumpur
Dated : 07 APR 2015

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, **Y. BHG. DATUK BRIDGET ANNE CHIN HUNG YEE**, 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 9 to 38 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)

Y. BHG. DATUK BRIDGET ANNE CHIN HUNG YEE)

at Kuala Lumpur in the)

Federal Territory on 07 APR 2015)

Y. BHG. DATUK BRIDGET ANNE CHIN HUNG YEE

Before me,

PESURUHJAYA SUMPAH
NO. W 668
LAI DIN
MALAYSIA

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

KHAIRUDDIN HASYUDEEN & RAZI

Chartered Accountants (AF 1161)

APPROVED EMPLOYER ACCA

Trainee Development - Platinum

ICAEW

AUTHORISED TRAINING EMPLOYER

Company no. : 735031-H

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD

Report on the Financial Statements

We have audited the financial statements of MYNIC BERHAD, which comprise the statement of financial position as at 31 December 2014 of the Group and of the Company, and the statement of comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 38.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Linking Strategy to Value

KHAIRUDDIN HASYUDEEN & RAZI

Chartered Accountants (AF 1161)

APPROVED ACCA EMPLOYER

Trainee Development - Platinum

ICAEW

AUTHORISED TRAINING EMPLOYER

Company no. : 735031-H

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and statement of cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the followings:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

KHAIRUDDIN HASYUDEEN & RAZI
AF 1161
Chartered Accountants

Ahmad Shahrul Hj Mohamed
2138/04/17 (J)
Partner of the Firm

Kuala Lumpur
Dated: 07 APR 2015

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Linking Strategy to Value

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	NOTE	Group		Company		
		31.12.2014	31.12.2013	31.12.2014	31.12.2013	1.1.2013
		RM	RM (Restated)	RM	RM (Restated)	RM (Restated)
NON CURRENT ASSET						
Property, plant and equipment	5	**3,552,074**	1,786,951	**3,552,074**	1,786,951	2,410,743
Intangible assets	6	**27,002**	16,115	**27,002**	16,115	-
Investment in subsidiary	7	-	-	**2**	2	-
CURRENT ASSETS						
Trade receivables		**451,086**	23,000	**451,086**	23,000	-
Other receivables, deposits and prepayments		**617,512**	450,138	**617,512**	450,138	447,119
Amount due from a subsidiary company	8	-	-	**135,040**	130,514	-
Other investments	9	**9,898,000**	3,398,000	**9,898,000**	3,398,000	3,398,000
Deposits, cash and bank balances	10	**19,149,808**	24,066,829	**19,149,806**	24,066,827	19,987,782
		30,116,406	27,937,967	**30,251,444**	28,068,479	23,832,901
CURRENT LIABILITIES						
Trade payables		**816,973**	1,757,807	**816,973**	1,757,807	2,205,755
Other payables and accruals	11	**1,105,002**	1,328,670	**1,102,352**	1,326,630	970,605
Provision for taxation		-	77,233	-	77,233	459,488
		1,921,975	3,163,710	**1,919,325**	3,161,670	3,635,848
NET CURRENT ASSETS		**28,194,431**	24,774,257	**28,332,119**	24,906,809	20,197,053
		31,773,507	26,577,323	**31,911,197**	26,709,877	22,607,796
FINANCED BY:						
Accummulated funds		**20,120,794**	17,663,623	**20,258,484**	17,796,177	15,570,972
LONG TERM LIABILITIES						
Deferred income	12	**11,649,013**	8,893,300	**11,649,013**	8,893,300	6,979,324
Deferred taxation	13	**3,700**	20,400	**3,700**	20,400	57,500
		31,773,507	26,577,323	**31,911,197**	26,709,877	22,607,796

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

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	NOTE	Group		Company	
		2014	2013	**2014**	2013
		RM	RM	**RM**	RM
Revenue	14	**9,180,808**	9,068,044	**9,180,808**	9,068,044
Cost of services rendered	15	**(3,393,901)**	(3,519,205)	**(3,393,901)**	(3,519,205)
Gross profit		**5,786,907**	5,548,839	**5,786,907**	5,548,839
Other income	16	**4,833,631**	6,959,070	**4,833,631**	6,959,070
Administrative expenses		**(7,153,163)**	(9,439,768)	**(7,148,027)**	(9,307,214)
Other operating expenses		**(8,266)**	(30,896)	**(8,266)**	(30,896)
Excess of income over expenditures	17	**3,459,109**	3,037,245	**3,464,245**	3,169,799
Taxation	18	**(1,001,938)**	(944,594)	**(1,001,938)**	(944,594)
		2,457,171	2,092,651	**2,462,307**	2,225,205

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

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group

	Accummulated funds RM
Balance as at 31 December 2012	15,570,972
Excess of income over expenditure	2,092,651
Balance as at 31 December 2013	17,663,623
Excess of income over expenditures	2,457,171
Balance as at 31 December 2014	20,120,794

Company

	Accummulated funds RM
Balance as at 31 December 2012	15,570,972
Excess of income over expenditures	2,225,205
Balance as at 31 December 2013	17,796,177
Excess of income over expenditures	2,462,307
Balance as at 31 December 2014	20,258,484

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of income over expenditures before taxation	**3,459,109**	3,037,245	**3,464,245**	3,169,799
Adjustments for:				
Credit recognised for government grant	**(3,662,480)**	(6,447,162)	**(3,662,480)**	(6,447,162)
Depreciation	**664,612**	738,323	**664,612**	738,323
Interest income	**(722,948)**	(475,382)	**(722,948)**	(475,382)
Loss/(Gain) on foreign exchange - realised	**1,636**	(179)	**1,636**	(179)
Loss on disposal of property, plant and equipment	**6,630**	30,896	**6,630**	30,896
Operating loss before working capital changes	**(253,441)**	(3,116,259)	**(248,305)**	(2,983,705)
Increase in trade and other receivables	**(561,664)**	(25,840)	**(561,664)**	(25,840)
Increase in amount due from a subdiary company	**-**	-	**(4,526)**	(130,514)
Decrease in trade and other payables	**(1,164,502)**	(89,883)	**(1,165,112)**	(91,923)
Cash used in operations	**(1,979,607)**	(3,231,982)	**(1,979,607)**	(3,231,982)
Tax paid	**(1,131,303)**	(1,363,949)	**(1,131,303)**	(1,363,949)
Net cash used in operating activities	**(3,110,910)**	(4,595,931)	**(3,110,910)**	(4,595,931)

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 5)	**(2,437,276)**	(148,337)	**(2,437,276)**	(148,337)
Proceed from disposal of property, plant and equipment	**911**	2,910	**911**	2,910
Subscription of shares in subsidiary	**-**	-	**-**	(2)
Interest received	**722,948**	475,382	**722,948**	475,382
Purchase of intangible asset (Note 6)	**(10,887)**	(16,115)	**(10,887)**	(16,115)
Addition of other investment	**(6,500,000)**	(3,398,000)	**(6,500,000)**	(3,398,000)
Net cash (used in)/generated from investing activities	**(8,224,304)**	(3,084,160)	**(8,224,304)**	(3,084,162)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts of government grants	**6,163,000**	8,126,600	**6,163,000**	8,126,600
Refund of government grants	**(135,754)**	-	**(135,754)**	-
Deferred income	**390,947**	234,538	**390,947**	234,538
Net cash provided by financing activities	**6,418,193**	8,361,138	**6,418,193**	8,361,138
Net increase in cash and cash equivalents	**(4,917,021)**	681,047	**(4,917,021)**	681,045
Cash and cash equivalents brought forward	**24,066,829**	23,385,782	**24,066,827**	23,385,782
Cash and cash equivalents carried forward (Note 10)	**19,149,808**	24,066,829	**19,149,806**	24,066,827

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

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 (MFRSs) and the Companies Act, 1965 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except as noted below.

The Company has adopted the following accounting standards and the amendments of the MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB"):

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014:

- Amendments to MFRS 132 *Financial Instruments* (Offsetting Financial Assets and Financial Liabilities)
- Amendments to MFRS 136 *Impairment of Assets* (Recoverable Amount Disclosure for Non-Financial Assets)
- Amendments to MFRS 10, MFRS 12 and MFRS 127 *Consolidated and Separate Financial Statements* (Investment Entities)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014:

- Amendment to MFRS 13 *Fair Value* Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)
- Amendment to MFRS 116 *Property, Plant & Equipment* (Annual Improvements to MFRSs 2010-2012 Cycle)
- Amendments to MFRS 119 *Employee Benefits* (Defined Benefit Plans: Employee Contributions)
- Amendment to MFRS 124 *Related Party Disclosures* (Annual Improvements to MFRSs 2010-2012 Cycle)
- Amendment to MFRS 138 *Intangible Assets* (Annual Improvements to MFRSs 2010-2012 Cycle)

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the MASB which are not yet effective and have not been adopted by the Company:

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016:

- Amendment to MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (Annual Improvements to MFRSs 2012-2014 Cycle)
- Amendment to MFRS 7 *Financial Instruments: Disclosures* (Annual Improvements to MFRSs 2012-2014 Cycle)
- Amendments to MFRS 10 *Consolidated Financial Statements*, MFRS 12 *Disclosure of Interest in Other Entities* and MFRS 128 *Investment in Associates and Joint Ventures* (Investment Entities: Applying the Consolidation Exception)
- Amendments to MFRS 101 *Presentation of Financial Statements* (Disclosure Initiative)

- Amendment to MFRS 116 *Property, Plant & Equipment* and MFRS 138 *Intangible Assets* (Clarification of Acceptable Methods of Depreciation and Amortisation)
- Amendment to MFRS 119 *Employee Benefits* (Annual Improvements to MFRSs 2010-2012 Cycle)
- Amendment to MFRS 127 *Separate Financial Statements* (Equity Method in Separate Financial Statements)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017:

- MFRS 15 *Revenue from Contracts with Customers*

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018:

- MFRS 9 *Financial Instruments*
- Amendments to MFRS 7, *Financial Instruments: Disclosure - Mandatory Effective Date of MFRS 9 and Transition Disclosure*

The adoption of the above amendments and improvements to MFRS did not have any material effect on the financial performance or position of the Company. These changes also do not result in significant changes in the accounting policies of the Company.

The following accounting standards, amendments and interpretations to the MFRS Framework that are effective for the 2014 financial statements and are currently not applicable to the Company's operations:

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014:

- Amendment to MFRS 8 *Operating Segments* (Annual Improvements to MFRSs 2010-2012 Cycle)
- Amendment to MFRS 140 *Investment Property* (Annual Improvements to MFRSs 2011-2013 Cycle)
- Amendment to MFRS 2 *Share-based Payment* (Annual Improvements to MFRSs 2010-2012 Cycle)
- Amendment to MFRS 3 *Business Combinations* (Annual Improvements to MFRSs 2010-2012 Cycle)
- Amendment to MFRS 3 *Business Combinations* (Annual Improvements to MFRSs 2011-2013 Cycle)

The following accounting standards, amendments and interpretations to the MFRS Framework that have been issued by MASB which are not yet effective and are currently not applicable to the Company's operations:

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016:

- MFRS 14 *Regulatory Deferral Accounts*
- Agriculture: Bearer Plants (Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture*)
- Amendments to MFRS 134 *Interim Financial Reporting* (Annual Improvements to MFRSs 2012-2014 Cycle)

(a) **Basis of measurement**

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

(b) **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.

(c) **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.

3. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 07 APR 2015

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 Group 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 becomes 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**

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) **Financial assets at fair value through profit or loss**

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) **Held-to-maturity investments**

Held-to-maturity investments category comprises of debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective profit rate method.

(c) **Loans and receivables**

Loans and receivables category comprises of debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective profit rate method.

(d) **Available-for-sale financial assets**

Available-for-sale category comprises of investment in equity and debt securities instruments that are not held for trading.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains or losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair values hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Profit calculated for a debt instrument using the effective profit rate method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment in accordance with Note 4(f) (i).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as 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) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in 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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. 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 the profit or loss.

(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 wiling parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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 or 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.

(d) **Intangible asset**

(i) **Other intangible assets**

Intangible assets, other than goodwill, that are acquired by 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 and balances which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents are categorised and measured as loans and receivables in accordance with policy Note 4(b)(ii).

(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, than 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.

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 has 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**

(i) **Services**

Revenue represents the invoiced value of services rendered after allowance for commission paid to agents.

(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 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 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.

(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 or 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.

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 Company has 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 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 Company has no further payment obligations.

(l) **Foreign currency transaction**

Transactions in foreign currencies are translated to the respective functional currencies of the Group 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:

JPY100 RM2.9255 (2013: JPY100 RM3.1281)

5. PROPERTY, PLANT AND EQUIPMENT

Group and Company

	COST				
	Balance as at 1.1.2014 RM	Additions RM	Transfers RM	Disposals RM	Balance as at 31.12.2014 RM
IT equipment	4,660,190	140,646	28,000	(186,389)	4,642,447
Furniture and fittings	229,524	10,091	-	(4,510)	235,105
Motor vehicles	291,308	-	-	-	291,308
Office equipment	285,711	5,923	-	(18,110)	273,524
Renovation and improvement	895,022	14,834	-	-	909,856
Capital work-in -progress	77,134	2,265,782	(28,000)	-	2,314,916
	6,438,889	2,437,276	-	(209,009)	8,667,156

	ACCUMULATED DEPRECIATION			
	Balance as at 1.1.2014	Additions	Disposals	Balance as at 31.12.2014
	RM	RM	RM	RM
IT equipment	**3,783,914**	**482,072**	**(183,613)**	**4,082,373**
Furniture and fittings	**110,354**	**23,089**	**(3,467)**	**129,976**
Motor vehicles	**133,928**	**29,131**	**-**	**163,059**
Office equipment	**164,497**	**40,571**	**(14,388)**	**190,680**
Renovation and improvement	**459,245**	**89,749**	**-**	**548,994**
Capital work-in-progress	**-**	**-**	**-**	**-**
	4,651,938	**664,612**	**(201,468)**	**5,115,082**

	NET CARRYING VALUE		Depreciation
	2014	2013	2013
	RM	RM	RM
IT equipment	**560,074**	876,276	548,892
Furniture and fittings	**105,129**	119,170	23,088
Motor vehicles	**128,249**	157,380	29,131
Office equipment	**82,844**	121,214	47,710
Renovation and improvement	**360,862**	435,777	89,502
Capital work-in-progress	**2,314,916**	77,134	-
	3,552,074	1,786,951	738,323

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

	Group and Company	
	2014	2013
	RM	RM
IT equipment	**2,195,241**	2,305,491
Office equipment	**49,122**	48,406

Included in property, plant and equipment of the Group and of the Company are assets with carrying values of RM423,981 (2013: RM696,478) which were acquired under the grant received from Ministry of Science, Technology and Innovation ("MOSTI") and Ministry of Communications and Multimedia Malaysia ("KKMM").

Included in property, plant and equipment of the Group and of the Company are Capital work-in-progress amounting RM2,314,916 (2013: RM77,134) which consists of progress payments made by the Company for the purchases of software.

6. INTANGIBLE ASSETS

	Group and Company	
	2014	2013
	RM	RM
Trademarks		
Cost		
At 1 January	**16,115**	-
Additions for the year	**10,887**	16,115
At 31 December	**27,002**	16,115
Accumulated amortisation		
At 1 January	-	-
Charged for the year	-	-
At 31 December	-	-
Net carrying amount		
At 31 December	**27,002**	16,115

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2014	2013
	RM	RM
Unquoted shares, at cost	**2**	2

The subsidiary incorporated in Malaysia, is:

Name of company	Paid up capital	Group's effective interest (%)		Principal activities
	RM	**2014**	2013	
Ebiz1 Asia Sdn. Bhd.	**2**	**100**	100	Dormant

8. AMOUNT DUE FROM SUBSIDIARY COMPANY

The amount is unsecured, interest free and has no specific terms of repayment.

9. OTHER INVESTMENT

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Deposits with licensed banks	**9,898,000**	3,398,000	**9,898,000**	3,398,000
	9,898,000	3,398,000	**9,898,000**	3,398,000

10. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash in hand and at banks	**4,972,808**	10,648,829	**4,972,806**	10,648,827
Deposits with licensed banks	**14,177,000**	13,418,000	**14,177,000**	13,418,000
	19,149,808	24,066,829	**19,149,806**	24,066,827

11. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other payables	**257,239**	601,958	**254,589**	599,918
Accruals	**847,763**	726,712	**847,763**	726,712
	1,105,002	1,328,670	**1,102,352**	1,326,630

12. DEFERRED INCOME

	Group and Company	
	2014	2013
	RM	RM
Government grants	**9,045,632**	6,680,866
Domain name registrations	**2,603,381**	2,212,434
	11,649,013	8,893,300

Government Grants

	Group and Company	
	2014	2013
	RM	RM
Balance at the beginning of the year	6,680,866	5,001,428
Addition during the year	6,163,000	8,126,600
Refunded during the year	(135,754)	-
	12,708,112	13,128,028
Credit recognised for government grants in the income statements	(3,662,480)	(6,447,162)
Balance at the end of year	9,045,632	6,680,866

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.

13. DEFERRED TAXATION

	Group and Company	
	2014	2013
	RM	RM
As at beginning of the financial year	20,400	57,500
Reversal of deferred tax expense relating to origination and reversal of temporary differences (Note 18)	(16,700)	(37,100)
Balance at the end of year	3,700	20,400

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

	Group and Company	
	2014	2013
	RM	RM
Capital allowances in excess of depreciation	3,700	20,400

14. REVENUE

	Group and Company	
	2014	2013
	RM	RM
Domain name subscriptions	**9,108,474**	8,969,044
Resellers maintenance fee	**72,334**	99,000
	9,180,808	9,068,044

15. COST OF SERVICES RENDERED

	Group and Company	
	2014	2013
	RM	RM
Customer service centre	**250,000**	250,000
Network and data centre fee	**203,792**	263,619
Cost of personnel		
- salaries	**2,054,560**	2,071,155
- EPF contributions	**384,048**	366,149
- SOCSO contributions	**19,429**	19,390
Depreciation	**482,072**	548,892
	3,393,901	3,519,205

16. OTHER INCOME

	Group and Company	
	2014	2013
	RM	RM
Government grant		
- development	**3,346,256**	5,931,124
- operating	**316,224**	516,038
Gain on foreign exchange	**-**	179
Interest income	**722,948**	475,382
Miscellaneous	**34,488**	36,347
Training and seminar	**413,715**	-
	4,833,631	6,959,070

17. EXCESS OF INCOME OVER EXPENDITURES

Excess of income over expenditures is arrived at after charging the following items:

	Group		Company	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Auditors' remuneration	**23,500**	21,500	**22,000**	20,000
Depreciation	**664,612**	738,323	**664,612**	738,323
Directors' remuneration	**114,460**	150,500	**114,460**	150,500
Incorporation fees	**-**	3,018	**-**	-
Loss on foreign exchange - realised	**1,636**	-	**1,636**	-
Loss on disposal of property, plant and equipment	**6,630**	30,896	**6,630**	30,896
Rental of premises	**531,351**	537,633	**531,351**	537,633
Rental of photocopy machine	**7,200**	7,608	**7,200**	7,608

18. TAXATION

	Group		Company	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Current income tax expense	**1,180,000**	1,114,900	**1,180,000**	1,114,900
Over provision of previous year income tax expense	**(161,362)**	(133,206)	**(161,362)**	(133,206)
Reversal of deferred tax expense recognised in the financial statement (Note 13)	**(16,700)**	(37,100)	**(16,700)**	(37,100)
	1,001,938	944,594	**1,001,938**	944,594

Reconciliation of tax expense with excess of income over expenditures:

	Group		Company	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Excess of income over expenditures	**3,459,109**	3,037,245	**3,464,245**	3,169,799
Tax at the current income tax rate of 26%	**899,368**	789,684	**900,704**	824,148
Tax effect in respect of:				
Non-allowable expenses	**1,250,620**	1,998,348	**1,249,284**	1,996,551
Non-taxable income	**(952,245)**	(1,676,262)	**(952,245)**	(1,676,262)
Utilisation of capital allowances	**(17,743)**	(29,537)	**(17,743)**	(29,537)
Deferred tax assets not recognised during the year	-	32,667	-	-
Over provision of tax in previous year	**(161,362)**	(133,206)	**(161,362)**	(133,206)
Reversal of deferred tax expenses	**(16,700)**	(37,100)	**(16,700)**	(37,100)
Tax expense	**1,001,938**	944,594	**1,001,938**	944,594

19. STAFF COSTS

	Group and Company	
	2014	2013
	RM	RM
Salaries, allowances and bonus	**3,587,316**	3,909,440
EPF contributions	**563,019**	567,714
SOCSO contributions	**49,127**	30,356
Other staff related expenses	**30,339**	29,127
	4,229,801	4,536,637

Included in staff cost is an amount of RM2,458,037 (2013: RM2,456,694) treated as cost of personnel disclosed in the Group's and the Company's cost of sales. The number of employees in the Group and the Company at the end of the financial year was 51 (2013: 53).

20. CAPITAL COMMITMENT

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

	Group and Company	
	2014	2013
	RM	RM
Authorised and contracted for:		
Capital expenditure for property, plant and equipment	790,962	2,783,729
Capital expenditure for consultancy and hardware and software maintenance	4,103,247	3,028,084
	4,894,209	5,811,813

21. 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.

22. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised loans and receivables (L&R).

	Carrying amount	L&R/ (OL)
2014	RM	RM
Group		
Financial assets		
Trade and other receivables	1,068,598	1,068,598
Other investments	9,898,000	9,898,000
Deposits, cash and bank balances	19,149,808	19,149,808
	30,116,406	30,116,406
Financial liabilities		
Trade and other payables	(1,921,975)	(1,921,975)

2014	Carrying amount RM	L&R/ (OL) RM
Company		
Financial assets		
Trade and other receivables	**1,068,598**	**1,068,598**
Amount due from a subsidiary company	**135,040**	**135,040**
Other investments	**9,898,000**	**9,898,000**
Deposits, cash and bank balances	**19,149,806**	**19,149,806**
	30,251,444	**30,251,444**
Financial liabilities		
Trade and other payables	**(1,919,325)**	**(1,919,325)**

2013	Carrying amount RM (restated)	L&R/ (OL) RM (restated)
Group		
Financial assets		
Trade and other receivables	473,138	473,138
Other investment	3,398,000	3,398,000
Deposits, cash and bank balances	24,066,829	24,066,829
	27,937,967	27,937,967
Financial liabilities		
Trade and other payables	(3,086,477)	(3,086,477)

2013	Carrying amount RM (restated)	L&R/ (OL) RM (restated)
Company		
Financial assets		
Trade and other receivables	473,138	473,138
Amount due from a subsidiary company	130,514	130,514
Other investment	3,398,000	3,398,000
Deposits, cash and bank balances	24,066,827	24,066,827
	28,068,479	28,068,479
Financial liabilities		
Trade and other payables	(3,084,437)	(3,084,437)

(b) **Financial risk management**

The Group has 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 to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk arises principally from its receivables from customers and loans and advances to related companies.

(i) **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.

Exposure to credit risk, credit quality and collateral

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

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

(d) **Liquidity risk**

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

The Group 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.

(e) **Fair value of financial instruments**

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

22. COMPARATIVE FIGURES

Explanation of reclassification of cash and cash equivalent

During the financial year, the Company reclassified its deposits that have maturity of more than three months with licensed banks to other investments in accordance to the guidance in FRSIC Consensus 22, Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents. In the previous financial years, all deposits with licensed banks were classified as cash and cash equivalents.

Accordingly, reclassification has been made to the comparative figures to align with the current year presentation. This is now applied retrospectively and the effects are as follows:

Statement of Financial Position

	31.12.2013		1.1.2013	
	As previously stated RM	As restated RM	As previously stated RM	As restated RM
Current Assets				
Other investment	-	3,398,000	-	3,398,000
Deposits, cash and bank balances	27,464,827	24,066,827	23,385,782	19,987,782