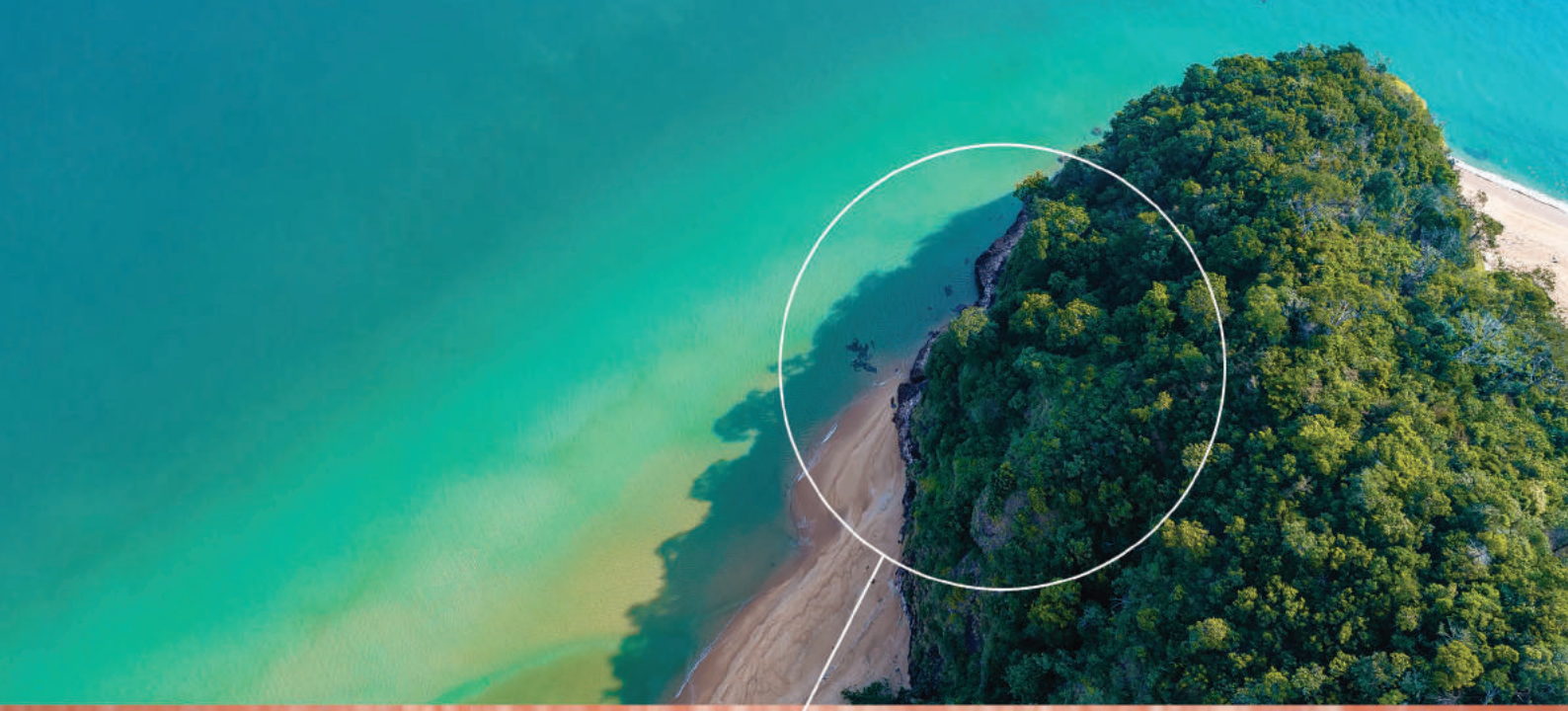






Transformasi Dalam Talian, Menghubung Masyarakat

LAPORAN TAHUNAN 2017

.MYNIC



Pengisian

01 **Tentang MYNIC**
02 **Sinergi Transformasi**
03 Ahli Lembaga Pengarah
03 Barisan Pengurusan Kanan
04 Struktur Organisasi
05 Perutusan Pengerusi Lembaga Pengarah
06 Perutusan Ketua Pegawai Eksekutif
07 **Transformasi Korporat**
10 **Mencipta Identiti, Menginovasi Komuniti**
11 MYNIC Negaraku Sehati Sejiwa
16 Gaya Hidup Sihat Bersama MYNIC
18 MYNIC di Persada Antarabangsa
19 Merintis Usahawan Digital Bersama MYNIC
22 Tanggungjawab Sosial Korporat
23 **Rumusan Perniagaan**
24 Statistik
25 Pembangunan Produk & Inovasi
26 **Laporan Kewangan 2017**

Maklumat Korporat

Nama Syarikat	MYNIC Berhad (735031-H)
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

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 lain

.gov.my
agensi kerajaan Malaysia sahaja

.edu.my
institusi pendidikan Malaysia sahaja

.mil.my
agensi ketenteraan Malaysia sahaja

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

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 jenama kepada organisasi dan individu Malaysia di internet.

Fungsi Utama

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

Penggerak teknologi dan pembangunan polisi nama domain.

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

Visi

Untuk menjadi pembekal pendaftar dan perkhidmatan alamat internet yang paling inovatif di rantau Asia Pasifik.

Misi

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



Ahli Lembaga Pengarah



1. YBhg. Datuk Bridget Anne Chin Hung Yee (Pengerusi)
2. YBhg. Dato' Sri Dr. Sharifah Zarah Syed Ahmad
3. YBhg. Datuk Wira Rosli Mat Hassan
4. YM Raja Iskandar Shah bin Raja Ibrahim Shah
5. YBrs. En. Nik Abdul Aziz Nik Yaacob

Barisan Pengurusan Kanan



Ketua Pegawai Eksekutif
Datuk Hasnul Fadhly Hasan



Ketua Pegawai Operasi
Syed Musa-AlKadzim Albar

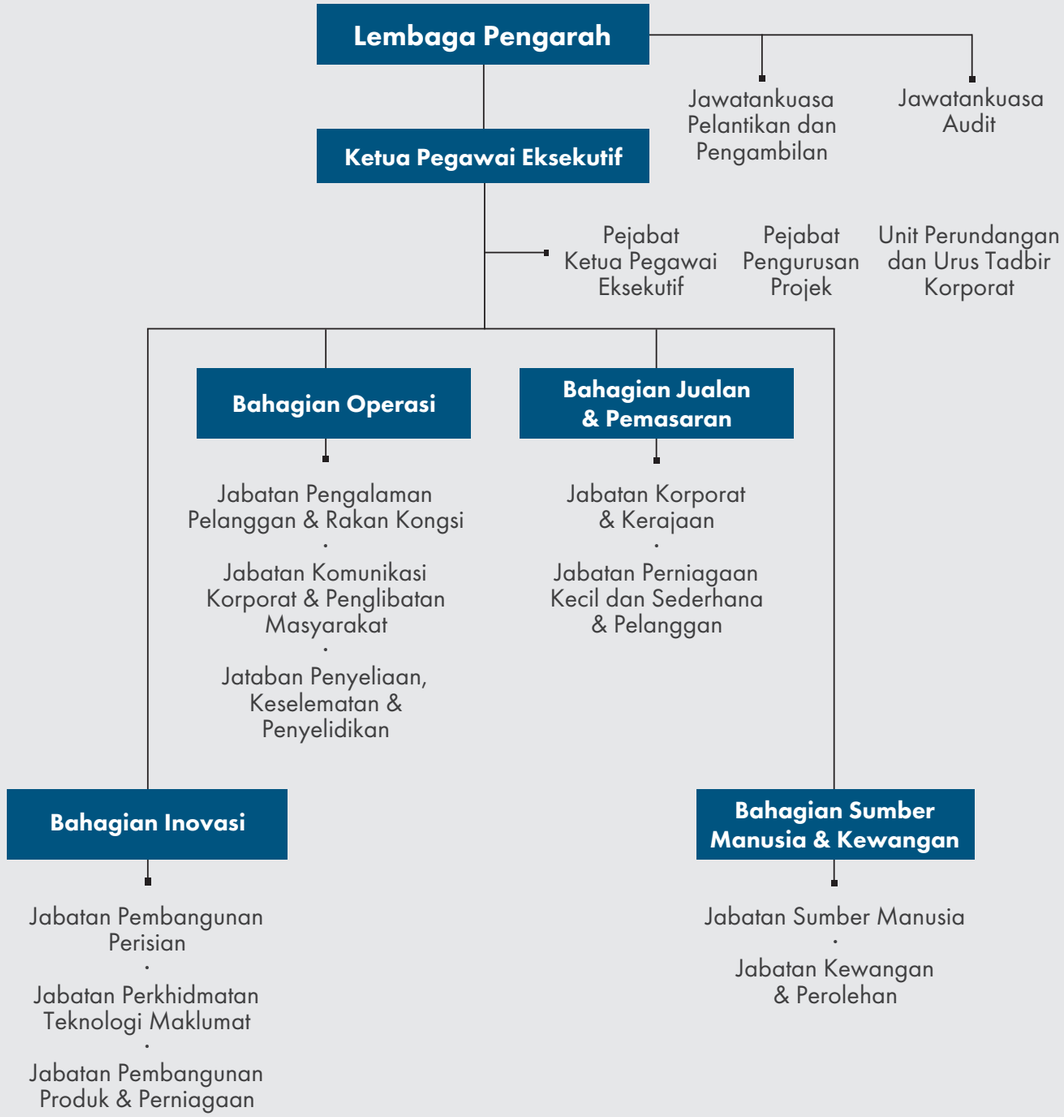


Ketua Pegawai Kewangan
Norzaiton Senusi



Ketua Pegawai Pemasaran
Talib Sabri Sulaiman

Struktur Organisasi



Perutusan Pengerusi Lembaga Pengarah



Tahun 2017 menyaksikan Malaysia semakin aggresif dalam merancakkan pembangunan sosio – ekonomi negara di mana pihak kerajaan telah menyusun atur pelbagai perancangan strategik sebagai persediaan jangka panjang seperti mana yang telah digariskan dalam Transformasi Nasional 2050 (TN50) iaitu merupakan satu inisiatif pembangunan negara yang merangkumi pelan transformasi dari pelbagai aspirasi seperti pembangunan ekonomi, kebudayaan, kemanusiaan dan alam sekitar.

Seperti mana yang telah ditekankan oleh YAB Perdana Menteri, ekonomi digital adalah aspirasi kepada pertumbuhan dua angka Malaysia. Transformasi dalam bidang ekonomi digital ini telah dibuktikan melalui usahasama pihak kerajaan di bawah tanggungjawab Kementerian Komunikasi & Multimedia Malaysia (KKMM) bersama agensi dan syarikat berkaitan yang melibatkan inisiatif – inisiatif seperti telekomunikasi, e – dagang, industri kreatif dan sebagainya.

MYNIC sebagai salah sebuah agensi di bawah KKMM turut memainkan peranan penting dan secara berterusan mencetus idea serta menginovasi 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.

Sekalung penghargaan buat YB Menteri Komunikasi & Multimedia, Ketua Setiausaha KKMM, warga KKMM, ahli – ahli lembaga pengarah serta seluruh tenaga pemacu transformasi MYNIC di atas komitmen dan sinergi yang telah diberikan.

Saya yakin dan percaya pada masa akan datang, MYNIC akan menjadi salah satu pemacu transformasi ekonomi digital negara yang bukan sahaja membantu meningkatkan ekonomi tetapi juga menyumbang kepada naik taraf hidup masyarakat ke arah gaya hidup digital yang strategik dan inklusif.

Sekian, terima kasih.

Datuk Bridget Anne Chin Hung Yee

Perutusan Ketua Pegawai Eksekutif



Bergerak seiring Transformasi Nasional 2050 (TN50), MYNIC kini bukan sahaja bertanggungjawab dalam mengawal tadbir nama domain, tetapi juga memainkan peranan penting dalam pembangunan infrastruktur ekonomi digital negara. Senada dengan saranan YB Menteri Komunikasi & Multimedia, ekonomi digital merupakan pencetus kemajuan ekonomi negara di mana rakyat Malaysia perlu merebut peluang tersebut yang dilihat berpotensi dalam menaik taraf kehidupan serta menjadi lebih kompetitif.

Pada tahun ini, MYNIC telah melangkah jauh dalam membuka ruang teknologi dalam talian kepada masyarakat untuk bergerak selangkah ke hadapan dalam pelbagai aspek seperti penjenamaan dalam talian, teknologi komunikasi dan aplikasi yang menjurus ke arah pembangunan keusahawanan digital sekaligus merealisasikan usaha pihak kerajaan dalam Rancangan Malaysia Ke–11 (RMK 11) yang mensasarkan sumbangan ekonomi digital negara mencapai nilai sebanyak RM 324.9 bilion pada tahun 2020.

Antara yang menarik perhatian adalah KREATIFMARKET.MY, sebuah inisiatif MYNIC dalam mengkomersialkan hasil karya seni fotografi tempatan secara dalam talian (online) berdasarkan konsep "crowdsourcing" serta Go2, sistem komunikasi canggih yang memberikan 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.

Walaupun dilihat semakin rancak dalam menginovasi pelbagai produk dan teknologi, MYNIC tidak pernah mengabaikan tugas utama sebagai pentadbir tunggal nama domain .MY. MYNIC secara berterusan melibatkan diri dalam pelbagai bentuk program dan kerjasama dengan pelbagai pihak berkaitan seperti Asia Pacific Top Level Domain Association (APTLD), Suruhanjaya Komunikasi & Multimedia Malaysia (SKMM), organisasi – organisasi penguatkasa dan sebagainya bagi menaik taraf infrastruktur nama domain negara. Tahun 2017 mencatatkan sebanyak 339, 402 nama domain telah didaftarkan.

Saya berharap dengan kerjasama serta inisiatif pro – aktif daripada seluruh warga MYNIC akan berjaya melonjak nama MYNIC ke mata umum dengan reputasi yang memberangsangkan sebagai salah satu pemacu transformasi ekonomi digital negara.

Terima kasih.

Datuk Hasnul Fadhly Hasan



Pengurusan Risiko Organisasi (ERM)

MYNIC telah menghasilkan rangka kerja pengurusan risiko organisasi atau dikenali sebagai Enterprise Risk Management (ERM) bagi pihak Lembaga Pengarah menguruskan profil risiko utama secara proaktif dan berterusan.Perangkaan pengurusan tersebut memerlukan pemantauan secara berterusan bagi memastikan ia mengikut piawaian serta bersesuaian dengan sebarang bentuk perubahan risiko.

MYNIC mempunyai struktur organisasi yang kukuh, had bidang kuasa, Pengurusan Keselematan Maklumat ISO, prosedur serta polisi jabatan dalam menguruskan sebarang keberangkalian risiko yang akan berlaku dalam operasi harian. MYNIC telah mengekalkan proses pengurusan risiko yang baik melalui rangka kerja Enterprise Risk Management (ERM) yang melibatkan proses seperti berikut:

- Kesedaran Risiko
- Pentaksiran & Penilaian Risiko
- Profiling & Pengurusan Risiko
- Laporan & Pemantauan Pengurusan Risiko

Sistem Pengurusan Keselamatan Maklumat (ISMS)

MYNIC telah mendapat pengiktirafan melalui pensijilan Information Security Management System (ISMS) pada 20 April 2012 berdasarkan skop pensijilan yang merangkumi keseluruhan operasi MYNIC dalam mentadbir ruang nama bagi Nama Domain Peringkat Tinggi (TLD) melibatkan pendaftaran nama domain, penyelenggaraan serta operasi pendaftaran nama domain. Skop pensijilan ini kekal tidak berubah di mana MYNIC telah melalui audit pemantauan daripada Badan Pensijilan (SIRIM QAS International Sdn Bhd) pada 11 dan 12 Mei 2017.

MYNIC telah berjaya melepasi audit pemantauan tanpa sebarang ketidakpatuhan selepas melalui proses – proses berikut:

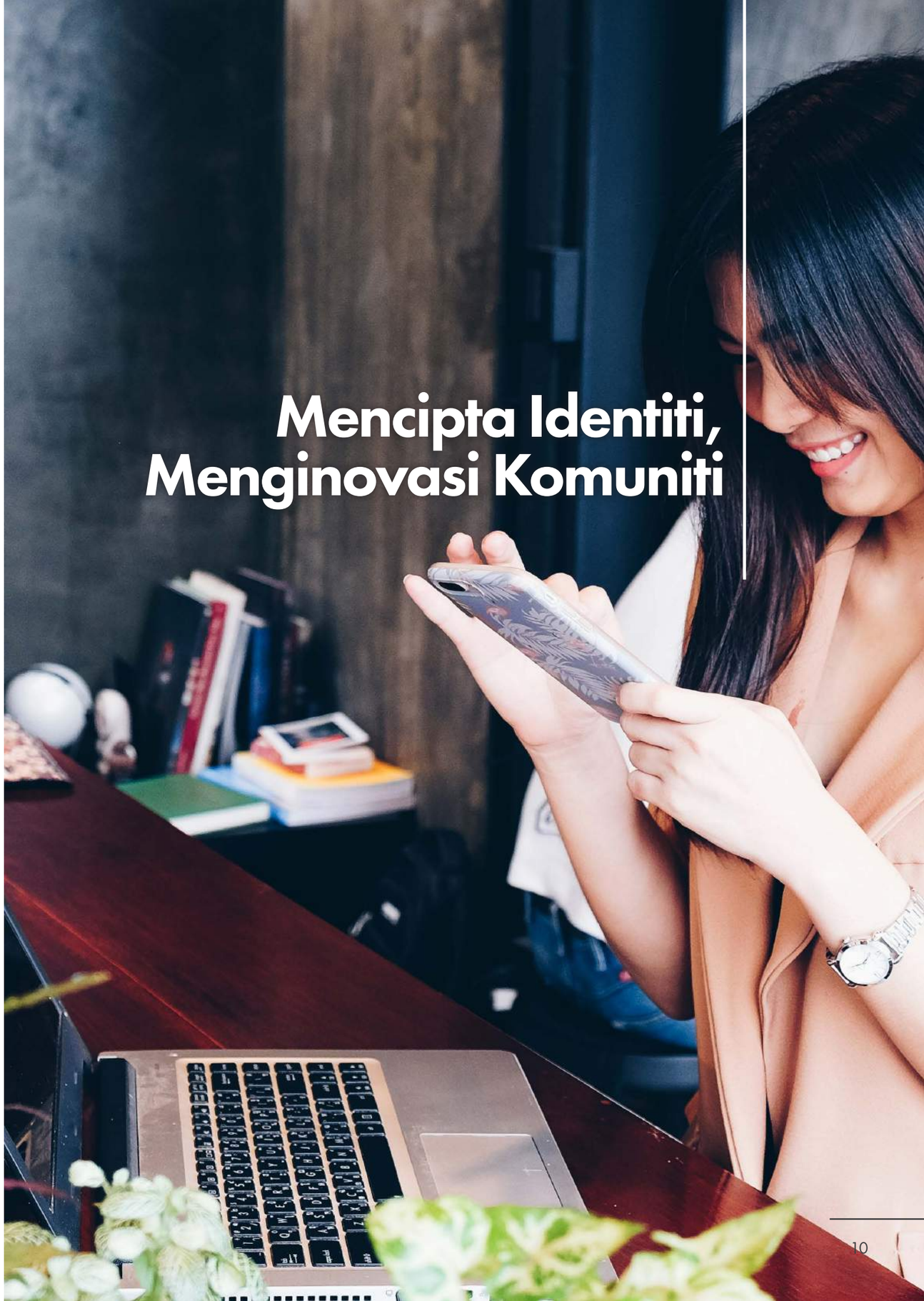
- Kesedaran ISMS
- Pentaksiran & Pengurusan Risiko ISMS
- Audit Dalaman ISMS
- Rumusan Pengurusan ISMS
- Audit Badan Pensijilan ISMS

Business Continuity Managament System (BCMS)

MYNIC telah mendapat pengiktirafan melalui pensijilan Sistem Pengurusan Kesinambungan Perniagaan (BCMS) pada 16 Jun 2017 berdasarkan skop pensijilan yang merangkumi keseluruhan operasi MYNIC dalam mentadbir ruang nama bagi Nama Domain Peringkat Tinggi (TLD) melibatkan pendaftaran nama domain, penyelenggaraan serta operasi pendaftaran nama domain. Audit pensijilan tersebut telah dinilai Badan Pensijilan (SIRM QAS International Sdn bhd) pada 19 hingga 21 April 2017.

MYNIC telah berjaya melepasi audit pensijian tersebut tanpa sebarang ketidakpatuhan selepas melalui proses – proses berikut:

- Kesedaran BCMS
- Pentaksiran & Pengurusan BCMS
- Ujian simulasi / paparan dekstop
- Rumusan Pengurusan BCMS
- Audit Dalaman BCMS
- Audit Badan Pensijilan BCMS















Negaraku: Komuniti 1Malaysia

Negaraku: Komuniti 1 Malaysia adalah merupakan program peringkat kebangsaan anjuran Kementerian Komunikasi & Multimedia Malaysia (KKMM) yang diadakan pada 23 hingga 26 Februari 2017 bertempat di Taman Tasik Sultan Abu Bakar, Pekan, Pahang.

Tujuan utama program ini dijalankan adalah untuk memupuk semangat patriotism dalam kalangan rakyat Malaysia terutamanya generasi muda. Program yang berlangsung selama empat (4) hari itu telah dijayakan dengan pelbagai aktiviti menarik seperti Kembara Jalinan Kasih, sebuah program mesra rakyat, keusahawanan dan juga pameran Caring Bridge Komuniti 1 Malaysia.

Perdana Menteri, Datuk Seri Mohd Najib Tun Abdul Razak telah merasmikan program tersebut yang telah dihadiri lebih 30,000 orang pengunjung dari seluruh pelusuk komuniti.

Sebagai salah satu pempamer, MYNIC tidak melepaskan peluang untuk mempromosikan produk inisiatif MYNIC seperti Business Online Bundle (BOB) dan juga KREATIFMARKET. MY di samping memberi pendekatan kepada orang ramai untuk mempraktikkan penggunaan media digital sebagai platform pemasaran bagi usahawan industri kecil sederhana (IKS).

Selain daripada mendapatkan informasi berkaitan penggunaan nama domain .MY, para pengunjung turut dihiburkan dengan persembahan silap mata serta aktiviti melukis pada wajah yang turut menarik perhatian terutamanya kanak – kanak. MYNIC turut menerima kunjungan YB Datuk Seri Dr Salleh Said Keruak, Menteri Komunikasi & Multimedia bersama dif – dif kehormat yang lain.

Ekspresi Negaraku

Ekspresi Negaraku telah berjaya menyatukan ribuan rakyat Malaysia dari pelbagai lapisan masyarakat di bawah satu program bagi memupuk semangat cinta akan negara. Program yang diadakan pada 18 Mac 2017 di Dataran Istana Kehakiman Putrajaya tersebut dimulakan dengan "Larian Bendera Negaraku" seawal jam 7.00 pagi melibatkan 5,000 orang peserta

MYNIC turut serta memeriahkan ruang pameran Kementerian Komunikasi & Multimedia Malaysia (KKMM) dengan aktiviti melukis pada wajah bertemakan patriotism seperti lukisan bunga raya, Jalur Gemilang, Menara Petronas dan banyak lagi. Selain itu, MYNIC juga mempromosikan pendaftaran MYBUDDIES RUN 2017 dengan harga pakej yang istimewa untuk penyertaan terawal.

"Ekspresi Negaraku diinspirasikan oleh kejayaan dan kemajuan yang telah dikecapi sebagai sebuah negara," jelas YB Datuk Seri Dr Salleh Said Keruak.

Bersempena dengan sambutan Hari Kebangsaan pada tahun ini, Ekspresi Negaraku telah menjadi platform yang menghidupkan inisiatif "Negaraku" melalui kisah – kisah kejayaan yang menyumbang kepada pembangunan negara sekaligus memberi ruang kepada rakyat Malaysia untuk berkongsi harapan dan aspirasi untuk negara.

Selain daripada acara larian dan juga pameran daripada badan dan agensi kerajaan, para pengunjung turut dihiburkan dengan konsert "Ekspresi Negaraku" yang melibatkan persembahan daripada artis – artis terkenal sepert Amy Search, Ella dan Bunkface.







Sambutan Hari Telekomunikasi & Masyarakat Berinformasi Sedunia 2017

Bersempena dengan Sambutan Hari Telekomunikasi & Masyarakat Berinformasi Sedunia 2017 (WTISD 2017), pihak Kementerian Komunikasi & Multimedia Malaysia (KKMM) bersama agensi – agensi berkaitan telah menganjurkan satu program sambutan peringkat kebangsaan pada 20 hingga 21 Mei 2017 bertempat di Pusat Internet Desa (PID), Tanjung Kling, Melaka.

Sambutan tersebut telah dirasmikan oleh YBhg Dato' Dr Mohd Ali Mohamad Nor, Timbalan Ketua Setiausaha (Operasi), KKMM. Bertemakan "Big Data for Big Impact", terdapat pelbagai aktiviti yang dijalankan seperti sesi perkongsian, permainan, pameran serta persembahan daripada artis tempatan.

Tujuan sambutan WTISD 2017 adalah bagi melahirkan generasi pelapis yang cakna dengan kehendak dan keperluan industri masa kini di samping meningkatkan kesedaran masyarakat luar bandar mengenai peluang menjana pendapatan secara dalam talian serta mewujudkan kerjasama antara kementerian bersama agensi berkaitan dan juga syarikat te¬lekomunikasi dalam memajukan industri telekomunikasi negara.

Sebagai salah sebuah agensi kerajaan yang memainkan peranan penting dalam pembangungan infrastruktur eknomi digital negara, MYNIC turut memberi pendekatan berkenaan fungsi MYNIC sebagai pentadbir tunggal nama domain .MY dengan komuniti setempat yang hadir ke sambutan tersebut.

Negaraku: Kreativiti @ Komuniti

Kementerian Komunikasi & Multimedia Malaysia (KKMM) telah menganjurkan program Negaraku: Kreativiti @ Komuniti pada 19 hingga 21 Mei 2017 bertempat di Institut Kemahiran Belia Negara (IKBN), Kuala Langat. Program tersebut turut diadakan di pelbagai lokasi dari semasa ke semasa dengan kerjasama Kementerian Belia & Sukan (KBS) serta pelbagai agensi kerajaan yang lain.

Objektif program Negaraku: Kreativiti @ Komuniti dianjurkan adalah bertujuan untuk memperkasakan industri kandungan kreatif dalam kalangan generasi muda di kawasan luar bandar terutamanya dari aspek kebolehupayaan dan pembangunan kemahiran.

Program tersebut telah dirasmikan oleh Encik Nik Kamaruzaman Nik Husin, Setiausaha Bahagian Pembangunan Kandungan, KKMM.

Selain daripada pameran serta penerangan berkenaan fungsi dan peranan MYNIC dalam industri kandungan, pengunjung ruang pameran MYNIC turut dihiburkan dengan persembahan silap mata dan aksi menarik daripada "Gold Man".

MYNIC sentiasa mengambil peluang pendekatan melalui program – program kemahiran dan kesedaran yang boleh memajukan serta meningkatkan potensi indusri kandungan kreatif tanah air terutamanya dalam kalangan generasi muda.



Sambutan Hari Malaysia 2017

Seramai 60,000 pengunjung hadir bagi memeriahkan Sambutan Hari Malaysia pada 16 September 2017 bertempat di Stadium Likas, Kota Kinabalu, Sabah.

Sambutan disemarakkan lagi dengan hiasan bendera Malaysia di sepanjang jalan ke stadium serta orang ramai mengibarkan Jalur Gemilang tersebut pada malam yang penuh makna bagi menyambut hari ulang tahun penubuhan Malaysia yang ke 54.

Sambutan yang dirasmikan oleh YAB Perdana Menteri, Datuk Seri Mohd Najib Tun Abdul Razak turut dimeriahkan lagi dengan pelbagai aktiviti yang menarik seperti konsert siaran langsung oleh ASTRO, TV3 dan RTM, persembahan kebudayaan, permainan serta pameran oleh agensi – agensi kerajaan.

Bagi acara kemuncak sambutan pada malam tersebut, YAB Datuk Seri Mohd Najib bersama YB Tan Sri Musa Hj Aman, Ketua Menteri Sabah dan YB Datuk Amar Hj Mohamad Asfia Awang Nassar, speaker Dewan Undangan Negeri Sarawak telah menandatangani Buku Hari Malaysia 2017 sebagai simbolik kepada persetujuan pembentukan Persekutuan Malaysia pada tahun 1963.

MYNIC juga tidak melepaskan peluang untuk menyambut hari yang penuh gilang – gemilang tersebut dengan menyertai sebagai salah satu pempamer bagi Pameran MINDA yang dianjurkan oleh Kementerian Komunikasi & Multimedia Malaysia (KKMM).

MYNIC telah mempromosikan KREATIFMARKET.MY bagi memperkenal inistiatif MYNIC dalam menginovasi platform e-dagang yang memuat naik hasil karya fotografi tempatan di samping memberi peluang kepada komuniti untuk menjana pendapatan sampingan secara dalam talian. Melalui KREATIFMARKET.MY juga, MYNIC turut mempromosikan peraduan "Tangkap – Tangkap" yang memberi peluang kepada orang ramai untuk memenangi hadiah yang lumayan melalui hasi karya fotografi yang dihantar.

Perasmian Negaraku Sehati Sejiwa

MYNIC turut mengambil bahagian bagi program perasmian Negaraku Sehati Sejiwa yang juga merupakan kesinambungan program Kibar Jalur Gemilang yang diadakan setiap tahun bersama sambutan Hari Kebangsaan.

Seramai 25,000 pengunjung telah hadir bagi menyemarakkan lagi sambutan perasmian tersebut yang diadakan pada 6 hingga 8 Ogos 2017 bertempat di Stadium Batu Pahat, Johor. Pelbagai aktiviti aktivit menarik turut mengisi kemeriahan program seperti perasmian Konvoi Kembara Merdeka Negaraku, Pameran Caring Bridge serta jualan produk – produk tempatan.

Perasmian Negaraku Sehati Sejiwa telah dirasmikan oleh YB Datuk Seri Dr Salleh Said Keruak, Menteri Komunikasi & Multimedia Malaysia. Turut serta, dua Ikon Patriotik Bulan Kebangsaan 2017 iaitu Prof Dr Sivamurugan Pandian dan juga Prof Datuk Dr Teo Kok Siong.

MYNIC merupakan salah satu daripada 50 buah agensi kerajaan yang mengambil bahagian sebagai pempamer bagi Pameran Caring Bridge. Sebagai langkah untuk mendekatkan MYNIC dengan komuniti tempatan, MYNIC telah mengadakan pelbagai aktiviti menarik di ruang pameran di samping memberikan penenerangan berkenaan fungsi dan peranan MYNIC kepada orang ramai.

MYNIC sentiasa menyokong usaha kerajaan dalam memupuk semangat cinta akan negara dalam kalangan masyarakat melalui pelbagai inisiatif dan program.







Negaraku 1Malaysia

Kementerian Komunikasi & Multimedia Malaysia (KKMM) meneruskan lagi usaha menyemarakkan semangat "Negaraku" melalui program Negaraku 1 Malaysia yang diadakan pada 24 hingga 26 November 2017 bertempat di Padang Bola Sepak Flat Sri Johor, Bandar Tun Razak, Kuala Lumpur.

YB Datuk Seri Utama Tengku Adnan Tengku Mansor, Menteri Wilayah Persekutuan telah merasmikan program tersebut yang dihadiri lebih 20,000 pengunjung daripada pelbagai lapisan masyarakat.

Program Negaraku 1 Malaysia turut diwarnai dengan pelbagai aktiviti meriah seperti Kembara Jalinan Kasih, sukan rakyat, pameran serta persembahan daripada artis – artis popular seperti Ismail Izzani, Farah Hazel, Datuk A Rahman Hassan dan ramai lagi.

MYNIC mengambil kesempatan untuk beramah mesra bersama komuniti tempatan di samping mempromosikan produk terbaru iaitu GO2 yang juga merupakan salah satu inisiatif MYNIC dalam menggalakkan rakyat Malaysia mengaplikasikan kaedah digital dalam strategi pemasaran dan keusahawanan.

MYNIC sentiasa menyokong usaha kerajaan dalam memupuk semangat cinta akan negara dalam kalangan masyarakat melalui pelbagai inisiatif dan program.

Gaya Hidup Sihat Bersama MYBUDDIES







MERDEKA MYBUDDIES RUN x iM4U

Majlis pelancaran MERDEKA MYBUDDIES RUN telah berlangsung di iM4U Sentral, Puchong dimana 200 remaja menjadi saksi majlis yang gilang-gemilang itu. Turut hadir bagi melancarkan acara ini adalah Datuk Hasnul Fadhly Hasan, Kartini Arifin; Pengarah iM4U fm serta Muhammad Muqharrabin, anak muda termuda menawan Gunung Everest. Selain majlis pelancaran MYBUDDIES RUN, MYNIC turut mengedar 5,000 bendera bersempena kemerdekaan serta persembahan istimewa dari Ismail Izzani dan Eleena Harris.

Buat pertama kali, MYNIC berkolaborasi dengan iM4U fm, dimana ia merupakan platform terbaik untuk berinteraksi dengan golongan muda. Bersempena sambutan hari kebangsaan Malaysia tahun ini, MYNIC menganjurkan larian MERDEKA MYBUDDIES RUN 2017 berikutan kejayaan Larian SehatiSejiwa 2015, MYBUDDIES RUN 2015 dan MYBUDDIES RUN 2016 yang berjaya menyuntik semangat perpaduan dan kemerdekaan sesama rakyat Malaysia di bawah satu acara larian.

Kejohanan Tenpin Boling Terbuka Piala Senator Tan Sri Hj Mohamad Ali bin Mohd Rustam

Melalui inisitaif MYBUDDIES, MYNIC telah menaja Kejohanan Tenpin Boling Terbuka Piala Senator Tan Sri Hj Mohamad Ali Bin Mohd Rustam yang diadakan pada 4 Februari 2017 bertempat di Pusat Boling Antarabangsa Melaka, Ayer Keroh.

Kejohanan tersebut adalah merupakan anjuran Malaysian Association Youth Club (MAYC) iaitu sebuah organisasi bebas yang memberikan pendedahan mengenai insiatif pembangunan negara dalam kalangan generasi muda luar bandar. Tujuan utama kejohanan tersebut diadakan adalah bagi mengumpul dana untuk membantu golongan yang kurang bernasib melalui setiap penyertaan dan sumbangan. Sebanyak 20 buah pasukan telah bertanding di dalam kejohanan tersebut yang mewakili pelbagai agensi kerajaan, syarikat dan persatuan.

Secara tidak langsung, suumbangan yang telah diberikan oleh pihak MYNIC telah menggalakkan orang ramai untuk beramal melalui penglibatan dalam aktiviti gaya hidup sihat.

Majlis Makan Malam Persatuan Sepak Takraw Negeri Melaka

MYNIC sentiasa memberikan sokongan kepada pembangunan sukan negara sama ada di peringkat negeri mahupun kebangsaan.

MYNIC telah menyumbangkan sebanyak RM 10,000 kepada Persatuan Sepak Takraw Negeri Melaka bagi menampung dana pembangunan sukan sepak takraw di negeri tersebut yang melibatkan penyediaan kemudahan, latihan dan sebagainya.

Ketua Pegawai EKsekutif MYNIC, Datuk Hasnul Fadhly Hasan, telah menyerahkan sumbangan tersebut kepada YB Datuk Hj Ab Rahaman bin Hj Ab Karim, Exco Kerajaan Negeri Melaka pada Majlis Makan Malam Persatuan Sepak Takraw Negeri Melaka yang diadakan pada 15 Disember 2017 bertempat di Dewan Hang Tuah, Bandaraya Melaka.

Sebelum ini, MYNIC juga pernah memberikan tajaan serta sumbangan kepada program – program sukan yang lain seperti rugbi, boling, larian dan banyak lagi.







MERDEKA MYBUDDIES RUN 2017

Lebih daripada 10,000 peminat larian bersama ahli keluarga dan sahabat handai telah berkunjung ke MAEPS bagi menyertai program larian MERDEKA MYBUDDIES RUN 2017 yang diadakan pada pagi Ahad.

MERDEKA MYBUDDIES RUN 2017 diadakan bersempena dengan Sambutan Hari Kebangsaan Ke-60 yang melibatkan tiga kategori iaitu 21 KM, 10 KM dan 5 KM (Fun Run). Semenjak tahun 2015, program ini telah menjadi satu program larian yang di nantikan oleh rakyat Malaysia dengan penyertaan oleh ribuan pelari tempatan termasuk program yang diadakan buat kali Ke-4 ini yang mana turut melibatkan penyertaan yang lebih ramai berbanding tahun sebelumnya.

Program yang telah mengambil tempat dalam kawasan Tapak Ekspo Pertanian Malaysia Serdang (MAEPS), Insitut Penyelidikan & Pembangunan Pertanian Malaysia (MARDI) dan Universiti Putra Malaysia (UPM) mempunyai pemandangan yang cantik turut menyaksikan kehadiran para peserta, tetamu serta orang kenamaan seawal jam 5.00 pagi.

Sejurus pelepasan, lebih daripada 8,000 orang telah berkumpul dengan memakai kemeja-T MERDEKA MYBUDDIES RUN 2017 yang direka khas untuk program tersebut anjuran Kementerian Komunikasi & Multimedia Malaysia (KKMM) dan penyedia nama domain nasional, MYNIC.

Acara pelepasan larian telah disempurnakan oleh YB Dato' Jailani Johari, Timbalan Menteri KKMM, YBhg Dato' Sri Dr. Sharifah Zarah Syed Ahmad, Ketua Setiausaha KKMM, YBhg Datuk Bridget Lai, Pengerusi MYNIC dan Datuk Hasnul Fadhly Hasan, Ketua Pegawai Eksekutif MYNIC. Larian tersebut kemudian turut disertai oleh para tetamu VIP dan juga ibu bapa yang hadir bersama anak-anak kecil.

Mesyuarat Agung Asia Pacific Top Level Domain Association (APTLD) ke-71

MYNIC telah menghadiri Mesyuarat Agung APTLD ke- 71 yang diadakan pada 2 – 3 Mac 2017 bertempat di Ho Chin Minh City, Vietnam. Mesyuarat tersebut disertai oleh 26 ahli APTLD yang terdiri daripada organisasi seperti ISOC, RIPE NCC, APRALO, APNIC, ICANN (PTI) dan banyak lagi.

Mesyuarat tersebut diisi dengan pelbagai program dan sesi perbincangan melibatkan isu – isu berkaitain pendaftaran dan infrastruktur nama domain di rantau Asian. Ketua Pegawai Pemasaran MYNIC, Encik Talib Sabri Sulaiman, telah menjadi moderator bagi sesi forum bertajuk Marketing the Net Effect – Using Social Networks in Marketing yang membariskan panel – panel professional daripada pelbagai latar dan organisasi termasuk RU ccTLD, APNIC, .ME ccTLD, Belarus IDNccTLD, NIXI India and DotAsia.

MYNIC turut memainkan peranan dalam perbincangan mengenai kebenaran penggunaan nama negara dan wilayah di peringkat kedua oleh 11 buah pendaftar di bawah ruang nama baru gTLD yang ditadbir oleh ICANN sekaligus meyumbang kepada hasil perbincangan tersebut dihantar kepada ICANN untuk tindakan selanjutnya pada 9 Mac 2017.

Di samping itu, MYNIC turut mengadakan perbincangan tertutup bersama Ketua Pengarah Pendaftar cCTLD Vietnam (.VN) (VNIC), Encik Tran Minh Tan yang diadakan pada 1 Mac 2017. Delegasi MYNIC ke perbincangan tersebut diketuai olej Ketua Pegawai Eksekutif, Datuk Hasnul Fadhly Hasan yang juga merupakan kesinambungan daripada lawatan rasmi VNIC ke Malaysia pada 3 Oktober 2016 yang dikelolai oleh Suruhanjaya Komunikasi & Multimedia Malaysia (SKMM)>

ITC Legal Tech Workshop Series: Securing Your Digital Assets

Pada 9 Mac 2017, MYNIC telah dijemput sebagai panel jemputan bagi Siri Pertama Bengkel ITC Legal Tech anjuran The Kuala Lumpur Bar bertempat di KL Bar Auditorium, Wisma Hangsam, Kuala Lumpur yang dihadiri oleh pengamal serta organisasi perundangan dari dalam dan luar negara.

Mewakili panel jemputan MYNIC, Cik Yeo Yee Ling telah memberikan penerangan berkaitan penggunaan dan pentadbiran nama domain .MY serta perkhidmata lain yang disediakan oleh pihak MYNIC.

Tujuan bengkel tersebut dianjurkan adalah bagi meningkatkan pengetahuan mengenai penggunaan dan polisi media digital dalam kalangan pengamal undang – undang. Secara tidak langsung, MYNIC telah berjaya memberikan pededahan berkaitan fungsi dan peranan kepada orang ramai.

Merintis Usahawan Digital Bersama MYNIC

She's The Boss - Women in Business Bazaar

SHE'S THE BOSS – WOMEN IN BUSINESS BAZAAR adalah merupakan sebuah program usahawan anjuran HerPortal.Co yang merupakan salah sebuah portal dalam talian yang memberikan informasi berkaitan pembangunan usahanita di Malaysia seperti peluang pekerjaan, jaringan industri, dana usahawan dan banyak lagi.

Program yang diadakan pada 11 hingga 12 Februari 2017 bertempat di Mid Valley Megamall, Kuala Lumpur tersebut telah menghimpunkan usahanita-usahanita dalam talian bagi menjual serta mempromosikan perniagaan masing-masing yang terdiri daripada variasi produk dan perkhidmatan seperti tekstil, kosmetik, makanan, penjagaan kesihatan dan banyak lagi.

Sebagai salah satu penaja utama program, MYNIC turut menaja enam (6) buah vendor termasuk Batik by Silk Closet, Yanmeena, DaniaFacon, Roxxafrisya, Classyposh dan Cetak Kayu yang menawarkan pelbagai produk dan perkhidmatan seperti, fesyen, aksesori serta kraftangan.

Selain itu, MYNIC juga berkesempatan untuk mempromosikan inisiatif terbaru daripada MYNIC, iaitu KREATIFMARKET.MY serta pakej produk Business Online Bundle (BOB) di dalam sesi perkongsian bersama para pengunjung. Program tersebut telah dihadiri lebih daripada 30,000 orang pengunjung.

MYNIC sentiasa melibatkan diri dalam program-program relevan sebagai inisiatif untuk membantu usahawan masa kini lebih cakna dalam penggunaan media digital terutaman golongan wanita dan generasi muda.

Exabytes E-Commerce Conference

Exabytes Ecommerce Conference adalah sebuah persidangan tahunan yang dianjurkan oleh Exabytes Network Sdn Bhd yang mengumpulkan syarikat dan agensi e-dagang terkemuka bagi berkongsi idea dan informasi terkini berkaitan platform, trend serta teknologi masa kini yang menyumbang kepada pembangunan perniagaan berasaskan e-dagang di samping menggalakkan jaringan industri sesama organisasi.

Sebagai salah satu penaja utama, MYNIC turut tidak melepaskan peluang untuk menyertai Exabytes Ecommerce Conference 2017 yang diadakan pada 24 May 2017 bertempat di Pusat Inovasi & Kreativiti Global Malaysia (MaGIC), Cyrberjaya.

Persidangan yang berjaya mengumpulkan lebih daripada 300 pemacu industri e-dagang turut membariskan barisan panel jemputan hebat dan berpengalaman luas bagi sesi perbincangan dan pembentangan seperti Sam Shafie (pitchIN & WatchTower & Friends), Amirul Mokhtar (EasyStore), Esther Zhen (Uniqueens), Kanika Argawal (Passion Peers) dan ramai lagi.

MYNIC berkesempatan untuk membuka ruang pameran di samping mempromosikan #HargaDomainGilerrrCrazy yang menawarkan nama domain dengan diskaun harga sehingga 75%. Selain itu, MYNIC turut mempromosikan produk – produk serta inovasi terbaru MYNIC seperti Business Online Bundle (B.O.B.) dan KREATIFMARKET.MY.

MYNIC sentiasa mengambil pelbagai pendekatan jaringan industri dalam memastikan usaha MYNIC untuk membangunan industri e – dagang di Malaysia mendapat perhatian sekaligus menyumbang kepada masyarakat.

Seminar Usahawan Muda & Bengkel Latihan

Sepanjang tahun 2017, MYNIC telah menganjurkan pelbagai program berbentuk seminar dan bengkel latihan yang melibatkan pembangunan usahawan, teknologi maklumat dan kandungan kreatif khususnya dalam kalangan generasi muda dengan kerjasama pelbagai agensi dan syarikat seperti Jabatan Penerangan Malaysia (JAPEN), Malaysia Digital Economic Corporation (MDEC), Pusat Internet Desa (PID) dan sebagainya.

Antara objektif utama bagi setiap program tersebut dijalankan adalah bertujuan untuk memberikan pendedahan kepada komuniti berkenaan kepentingan serta keperluan teknologi terkini dalam pembangunan usahawan dan perniagaan terutamanya melalui platform e – dagang. Di samping itu, melalui pendekatan ini, MYNIC berkesempatan untuk mempromosikan produk – produk inovasi MYNIC yang dilihat mampu membantu para peserta untuk lebih mendalami ciri – ciri teknologi masa kini dalam industri keusahawanan dan kandungan seperti KREATIFMARKET.MY, Biz Pack, Go2 dan banyak lagi.

Secara tidak langsung, MYNIC telah berjaya melahirkan generasi muda cakna digital yang dilihat mempunyai potensi untuk melangkah jauh serta akan memacu industri keusahawanan e-dagang di Malaysia ke arah kemajuan yang lebih kompetitif bukan sahaja di peringkat tempatan malahan di peringkat antarabangsa seiring Rancangan Malaysia Ke – 11 (RMK 11).

Program	Tempat	Tarikh
EDU.MY	SMK Pekan II, Kota Belud, Sabah	3-5 Mei 2017
Seminar Usahawan Muda	UNITEN, Bangi	12 Sept 2017
	Kolej Polytech MARA, Bangi	23 Sept 2017
	Politeknik Port Dickson	10 Okt 2017
	Politeknik Sultan Salahuddin Abdul Aziz Shah, Shah Alam	10 Okt 2017
	UIA, Petaling Jaya	12 Okt 2017
	International Open College (IOC)	13 Okt 2017
	UITM, Shah Alam	20 Okt 2017
	Kolej Polytech MARA Batu Pahat	15 Nov 2017
	UPM Serdang	26 Nov 2017
	UniKL	29 Nov 2017
	Politeknik Sultan Salahuddin Abdul Aziz Shah, Shah Alam	20 Dis 2017
	Kolej Komuniti Selayang	21 Dis 2017
Content Creation	Kuching, Sarawak	9 Sept 2017
	USM, Penang	23 Okt 2017
	Ipoh, Perak	25 Okt 2017
	UTM Skudai, Johor	10 Nov 2017
	Kota Bharu, Kelantan	9 Dis 2017

Program CEO Desa @ TV3

Program CEO Desa adalah merupakan sebuah rancangan realiti televisyen anjuran Kementerian Kemajuan Luar Bandar & Wilayah (KKLW) bagi mencari usahawan Industri Kecil Sederhana (IKS) yang berpotensi tinggi di samping melatih mereka untuk lebih agresif dan kompetitif di dalam pasaran semasa.

Melalui program tersebut, MYNIC telah menaja produk – produk inovasi MYNIC yang dilihat mampu memberikan kemudahan kepada para peserta untuk mengembangkan lagi perniagaan masing – masing khususnya dari aspek pemasaran digital.

Antaranya ialah Go2, produk terkini dari MYNIC yang memberikan perkhidmatan pemetaan nama domain ke pelbagai aplikasi popular masa kini seperti Whatsapp, Instagram, Waze dan macam – macam lagi serta Biz Pack, sebuah pakej yang menggabungkan produk – produk digital seperti emel, web hosting, antivirus dan nama domain yang dilihat sangat sesuai bagi usahawan – usahawan untuk menguruskan perniagaan secara dalam talian.

Di samping itu, MYNIC turut dijemput untuk menjadi fasilitator bagi salah satu episode program tersebut yang diadakan di MDEC, Cyberjaya pada 24 Oktober 2017.

Penglibatan MYNIC dalam program CEO Desa secara tidak langsung telah memperkenalkan MYNIC sebagai salah sebuah agensi di bawah KKMM yang turut memainkan peranan dalam melahirkan usahawan muda yang cakna digital sekaligus mempromosikan inisiatif kerajaan dalam membantu komuniti tempatan khususnya usahawan IKS dalam aspek pembangunan perniagaan.







Sumbangan Fasiliti Kepada Pusat Internet Desa (PID) Seluruh Malaysia

MYNIC telah memberikan sumbangan sebanyak 19 unit pendingin hawa untuk dipasang di Pusat Internet Desa (PID) yang terlibat di Semenanjung serta Sabah dan Sarawak. Selain itu, MYNIC turut memberikan nama domain "internetdesa.my" secara percuma untuk tempoh lima (5) tahun beserta pakej web hosting untuk 1 tahun.

Majlis penyerahan sumbangan bernilai RM RM 28, 804 tersebut telah berlangsung pada 4 April 2017 bertempat di Pusat Internet Desa, Tanjung Kling, Melaka. MYNIC telah di wakili oleh Ketua Pegawai Pemasaran, Encik Talib Sabri Sulaiman manakala pihak PID di wakili oleh Encik Mazmalek Mohamad, Setiausaha Bahagian Teknologi Komunikasi, Kementerian Komunikasi & Multimedia Malaysia (KKMM).



Sumbangan tersebut dilihat sebagai salah satu inisiatif MYNIC bagi menyokong usaha pihak kerajaan dalam menyediakan kemudahan yang inklusif kepada rakyat luar bandar khususnya dari aspek pembangunan teknologi maklumat. Pemberian nama domain "internetdesa.my" pula bertujuan untuk mempromosikan usaha murni tersebut kepada orang ramai di samping memberikan penjenamaan dalam talian kepada PID di seluruh Malaysia.

MYKOMUNITI SCHOOL2U

MYNIC telah melancarkan program MYKOMUNITI SCHOOL2U sebagai salah satu inisiatif untuk memberikan penjenamaan dalam talian kepada sektor pendidikan negara di samping menyediakan peluang latihan kepada guru – guru yang terlibat.

Melalui program tersebut, MYNIC telah memberikan nama domain EDU.MY secara percuma kepada sekolah - sekolah di daerah Kota Belud di samping menganjurkan sesi bengkel latihan pembangunan laman web melibatkan seramai 98 orang guru yang berlangsung pada 3 hingga 5 Mei 2018 bertempat di SMK Pekan II, Kota Belud, Sabah.

Setakat ini, hanya 600 daripada 10, 180 buah sekolah di Malaysia yang mempunyai penjenamaan dalam talian. Sehubungan itu, program MYKOMUNITI SCHOOL2U memainkan peranan penting dalam memberikan pendedahan berkenaan kepentingan penggunaan laman web kepada pihak sekolah. Selain daripada nama domain dan latihan, MYNIC turut memberikan pakej emel, perkhidmatan pemetaan domain serta web builder kepada sekolah – sekolah yang terlibat.

Secara tidak langsung, program ini akan memberi peluang kepada sektor pendidikan di Malaysia untuk mengapplikasikan penggunaan teknologi maklumat khususnya secara dalam talian sebagai medium komunikasi di antara pengurusan sekolah dan juga pihak – pihak berkepentingan terutamanya ibu bapa dan para pelajar sekaligus mempromosikan sektor pendidikan secara menyeluruh melalui internet di peringkat tempatan dan juga global.



Rumusan Perniagaan

Statistik

Jumlah keseluruhan pendaftaran nama domain 2017

339,402

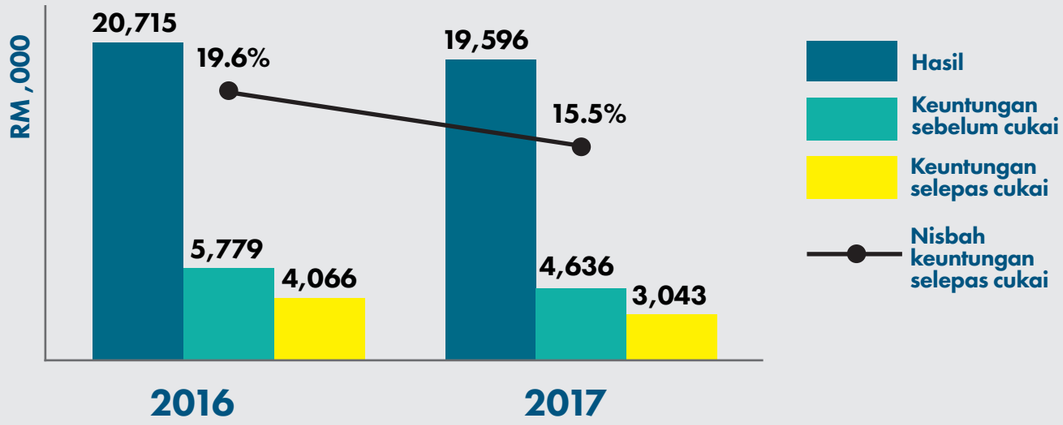
2013	2014	2015	2016	2017	
51,721	113,811	153,807	156,739	169,697	.my
130, 018	134,767	126,462	128,411	132,856	.com.my
2,713	2,734	2,564	2,522	2,600	.net.my
2,980	4,024	3,979	3,534	3,703	.org.my
1,102	1,062	1,082	1,045	1,089	.gov.my
3,083	3,701	2,741	2,753	3,112	.edu.my
24	21	22	20	17	.mil.my
892	9,220	31,137	29,106	26,328	.name.my

Jumlah pendaftaran nama domain baharu 2017

48,057

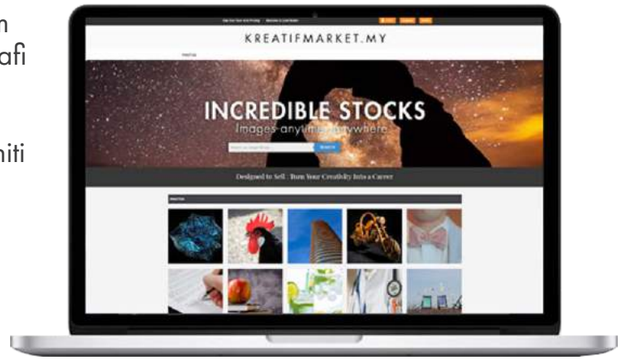
Jumlah Hasil Keseluruhan 2017 (RM)

19,596,174



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.



BIZ PACK

Pakej solusi IT khas untuk usahawan – usahawan yang menggabungkan produk – produk seperti Antivirus, Web Hosting, Cloud Storage, emel dan juga nama domain .MY. Biz Pack akan melindungi komputer daripada sebarang ancaman virus, memastikan maklumat disimpan dengan selamat di samping memberikan penjenamaan dalam talian untuk perniagaan.



GO2

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. Aplikasi “GO2” memberikan revolusi dalam komunikasi terutamanya dari aspek pembangunan perniagaan khusus untuk usahawan – usahawan industri kecil sederhana ke arah perniagaan dalam talian.



Laporan Kewangan 2017

MYNIC BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

31 DECEMBER 2017

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

INDEX

Contents	Page
DIRECTORS' REPORT	1 - 7
STATEMENT BY DIRECTORS	8
STATUTORY DECLARATION	9
INDEPENDENT AUDITORS' REPORT	10 - 13
STATEMENTS OF FINANCIAL POSITION	14
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	15
STATEMENTS OF CHANGES IN EQUITY	16
STATEMENTS OF CASH FLOWS	17 - 18
NOTES TO THE FINANCIAL STATEMENTS	19 - 47

Server/Audit – NAN/MYNIC BERHAD 2017

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 2017.

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).

ABOUT MYNIC

MYNIC is a company limited by guarantee (CLG), which is an agency under Ministry of Communications and Multimedia Malaysia (KKMM) and is regulated by Malaysian Communication and Multimedia Commission (MCMC). MYNIC is the sole administrator for web addresses that end with .my in Malaysia. As the national level domain name, MYNIC provides Malaysian organization and individuals their unique brand identity on the Internet. We register a wide range of domain names i.e. .my, .com.my, .org.my, .net.my, .edu.my, .gov.my, .mil.my and .name.my. There are 60 over authorized partners nationwide working hand in hand with MYNIC in registration of domain names.

In addition, MYNIC holds the responsibility of developing top level domain policies and is always in the forefront of domain name technologies, carrying out research projects such as per below IPv6 (Internet Protocol version 6), DNSSEC (Domain Name Server Security Extensions), Anycast and IDN (Internationalised Domain Names) as well as promoting and training activities for the usage of the technologies above.

CORPORATE TRANSFORMATION

(a) **Enterprise Risk Management (ERM)**

MYNIC developed risk management framework as a tool for the Board to proactively manage the Company's key risk profile on a continuous basis. There is a need for the framework to be monitored on an ongoing basis to ensure adaptation and resiliency to changing and dynamic risks.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

MYNIC has well defined organizational structure, limits of authority, ISO Information Security Management and departmental policies and procedures to manage risks arising in its day-to-day operations. MYNIC maintains Risk Registers and Profile, after going through the following Enterprise Risk Management (ERM) process: -

- Risk Awareness
- Risk Evaluation/Assessment
- Risk Profiling & Treatment of Risk
- Risk Management Monitoring & Reporting

(b) **Information Security Management System (ISMS)**

MYNIC first certified for ISMS on 20th April 2012 with the scope of certification which involve the entire operation of MYNIC Berhad, "The Information Security Management System (ISMS) for Administrating The Name Space for The .my Top Level Domain (TLD) Involving The Registration of Domain Names, The Maintenance and Operation of a Domain Name Registry." This scope of certification remains unchanged, MYNIC had undergo surveillance audit by Certification Body (SIRIM QAS International Sdn Bhd) in year 2017 on 11 and 12 May 2017.

MYNIC successfully passed the surveillance audit with zero non-conformity after going through the following process: -

- ISMS awareness
- ISMS risk assessment and treatment
- ISMS internal audit
- ISMS Management Review
- ISMS certification body audit

(c) **Business Continuity Management System (BCMS)**

MYNIC had successfully certified for BCMS on 16 June 2017 with the scope of certification which involve the entire operation of MYNIC Berhad, "Business Continuity Management System (BCMS) for Administrating The Name Space for The .my Top Level Domain (TLD) Involving The Registration of Domain Names and The Operation and Maintenance of a Domain Name Registry." Certification audit is conducted by by Certification Body (SIRIM QAS International Sdn Bhd) 19, 20 and 21 April 2017.

MYNIC successfully passed the certification audit with zero non-conformity after going through the following process,

- BCMS awareness
- BCMS risk assessment and treatment
- Simulation test / desktop review
- BCMS Management review
- BCMS internal audit
- BCMS certification body audit

STATISTICS

The total number of registered domain names has increased by 5% from 324,130 in 2016 to 339,402 in 2017. At present, MYNIC Berhad administers eight domain name categories comprised of: -

(i) .my
(ii) .com.my
(iii) .net.my
(iv) .org.my
(v) .gov.my
(vi) .edu.my
(vii) .mil.my
(viii) .name.my

Out of these eight categories, the highest registered is domain .my with a total of 49%.

Meanwhile, the overall number of new domain name registered in 2017 adds up to 48,057. It is worthy to note that December 2017 has recorded to be the highest percentage for new domain name registrations per month at 35%, followed by 7% and 6.8% in October and November respectively. On average, there are approximately 4,000 new domain names registered monthly in the year of 2017.

REVENUE FOR 2017

MYNIC Berhad generates revenue from various sources, predominantly from domain name subscriptions, training/seminars, lifestyle activities and other online products comprising anti-virus, cloud storage, web hosting and e-mail. The total revenue of MYNIC Berhad in 2017 amounts to RM19,596,174.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Domain name subscription is evidently the primary source of revenue for MYNIC Berhad. In 2017, the total revenue recorded through domain name subscriptions alone constituted 62% of the total calculated revenue. While the rest of the revenue is contributed by training/seminars, lifestyle activities, grants and interest on fixed deposit.

PRODUCT DEVELOPMENT AND INNOVATION

(a) KREATIFMARKET.MY

The first online platform in Malaysia commercializes local photography artworks via crowdsourcing concept. It also provides constant opportunities for the community to generate side income. KREATIFMARKET.MY is now on a par with other international photography platforms such as ShutterStock, Getty Images, 123RF etc.

(b) BIZ PACK

Biz Pack is a next-game changer for entrepreneurs as it combines all must-have online products in one package. This includes anti-virus, web hosting, cloud storage, e-mail and domain .my. Biz Pack protects your computer from any virus threats, safeguards your information as well as provides online branding for businesses.

(c) GO2 SOLUTIONS

Digital communication facilities through domain name mapping technology integrating the operation of domain names hand in hand with today's common communication apps such as WhatsApp, Waze, Instagram, Twitter, Google Map etc. The GO2 application innovates communication to accommodate business development for entrepreneurs, including medium-sized and small entrepreneurs in order to accomplish success in their respective online businesses.

(d) NEW CATEGORY DOMAIN NAME

An initiation to new domain classification featuring coop.my, kualalumpur.my and biz.my. These three domains are specifically aimed to groups depending on the domain categories. For example, biz.my is dedicated to all local companies and businesses registered under the Companies Commission of Malaysia (SSM) with the aim to feature local companies and businesses internationally. In addition, coop.my domain is a unique identity accessible to all co-operatives registered under the Co-operative Commission of Malaysia. While kualalumpur.my is a domain dedicated to organizations operating in Kuala Lumpur area.

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

RESULTS

	Group RM	Company RM
Profit after taxation	**3,160,057**	**3,043,186**
Unappropriated profits brought forward	**28,799,949**	**28,950,813**
Unappropriated profits carried forward	**31,960,006**	**31,993,999**

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 OF THE COMPANY

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

YBhg. Datuk Bridget Anne Chin Hung Yee
YBhg. Tan Sri Dr. Sharifah Zarah Binti Syed Ahmad
YBhg. Datuk Wira Rosli Bin Mat Hassan
YM. Raja Iskandar Shah Bin Raja Ibrahim Shah
YBrs. Nik Abdul Aziz Bin Nik Yaacob
YBrs. Datuk Abdul Rashid Bin Bolong (Appointed w.e.f. 10.10.2017)
YBrs. Cik Lim Wei Loong (Resigned w.e.f. 31.8.2016)

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 2017.

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.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

OTHER STATUTORY INFORMATION

Before the financial statements 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 all known bad debts had been written off and adequate 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

MYNIC BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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.

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 21 to the financial statements.

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

YBHG. DATUK BRIDGET ANNE CHIN HUNG YEE
Director

YM. RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH
Director

Kuala Lumpur
Dated: 26 APR 2018

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

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

We, **YBHG. 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 14 to 47 are drawn up in accordance with the provisions of the Companies Act, 2016 and 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 2017 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,

YBHG. DATUK BRIDGET ANNE CHIN HUNG YEE
Director

YM. RAJA ISKANDAR SHAH BIN RAJA IBRAHIM SHAH
Director

Kuala Lumpur
Dated: 26 APR 2018

MYNIC BERHAD
(Incorporated in Malaysia)

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

I, **YBHG. 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 14 to 47 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)

YBHG. DATUK BRIDGET ANNE CHIN HUNG YEE)

at Kuala Lumpur in the)

Federal Territory on 26 APR 2018)

YBHG. DATUK BRIDGET ANNE CHIN HUNG YEE

Before me,

PESURUHJAYA SUMPAH
NO. W 668
LAI DIN
1 JAN 2018 - 31 DEC 2018
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

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 statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements 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 14 to 47.

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 2017 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.

B-5-7 Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Malaysia
Tel : +603 2710 7717 Fax : +603 2710 7727
Website : www.khr.com.my E-mail : clientcare@khr.com.my
KUALA LUMPUR · ALOR SETAR · KOTA BHARU · MELAKA

Linking Strategy to Value

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYNIC BERHAD

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.

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.

B-5-7 Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Malaysia
Tel : +603 2710 7717 Fax : +603 2710 7727
Website : www.khr.com.my E-mail : clientcare@khr.com.my
KUALA LUMPUR · ALOR SETAR · KOTA BHARU · MELAKA

Linking Strategy to Value

KHAIRUDDIN HASYUDEEN & RAZI
Chartered Accountants (AF 1161)
AUTHORISED TRAINING EMPLOYER

Company no. : 735031-H

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.

B-5-7 Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Malaysia
Tel : +603 2710 7717 Fax : +603 2710 7727
Website : www.khr.com.my E-mail : clientcare@khr.com.my
KUALA LUMPUR · ALOR SETAR · KOTA BHARU · MELAKA

Linking Strategy to Value

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
AF 1161
Chartered Accountants

Ahmad Khairuddin Salleh
1574/03/19 (J)
Partner of the Firm

Kuala Lumpur
Dated: 26 April 2018

B-5-7 Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Malaysia
Tel : +603 2710 7717 Fax : +603 2710 7727
Website : www.khr.com.my E-mail : clientcare@khr.com.my
KUALA LUMPUR · ALOR SETAR · KOTA BHARU · MELAKA

Linking Strategy to Value

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	NOTE	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non Current Assets					
Property, plant and equipment	5	**4,092,882**	4,481,710	**4,092,882**	4,481,710
Intangible assets	6	**38,755**	24,592	**38,755**	24,592
Investment in subsidiary	7	**-**	-	**2**	2
		4,131,637	4,506,302	**4,131,639**	4,506,304
Current Assets					
Inventories	8	**74,871**	563,334	**74,871**	563,334
Trade receivables	9	**6,561,219**	2,064,828	**6,561,219**	2,064,828
Other receivables, deposits and prepayments	10	**988,618**	951,430	**988,618**	951,430
Amount due from a subsidiary company	11	**-**	-	**28,196**	148,304
Other investments	12	**23,742,000**	17,500,000	**23,742,000**	17,500,000
Cash and cash equivalents	13	**7,982,753**	16,247,287	**7,982,751**	16,247,285
		39,349,461	37,326,879	**39,377,655**	37,475,181
TOTAL ASSETS		**43,481,098**	41,833,181	**43,509,294**	41,981,485
EQUITY					
Accumulated funds		**31,960,006**	28,799,949	**31,993,999**	28,950,813
Total Equity		**31,960,006**	28,799,949	**31,993,999**	28,950,813
LIABILITIES					
Non Current Liabilities					
Deferred income	14	**9,330,218**	11,138,358	**9,330,218**	11,138,358
Deferred taxation	15	**7,600**	7,600	**7,600**	7,600
		9,337,818	11,145,958	**9,337,818**	11,145,958
Current Liabilities					
Trade payables	16	**154,342**	182,981	**154,342**	182,981
Other payables and accruals	17	**1,444,433**	1,692,588	**1,438,636**	1,690,028
Provision for taxation		**584,499**	11,705	**584,499**	11,705
		2,183,274	1,887,274	**2,177,477**	1,884,714
Total Liabilities		**11,521,092**	13,033,232	**11,515,295**	13,030,672
TOTAL EQUITY AND LIABILITIES		**43,481,098**	41,833,181	**43,509,294**	41,981,485

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 2017

	NOTE	Group		Company	
		2017	2016	**2017**	2016
		RM	RM	**RM**	RM
Revenue	18	**12,243,462**	11,913,326	**12,243,462**	11,913,326
Cost of services rendered	19	**(4,615,063)**	(3,607,657)	**(4,615,063)**	(3,607,657)
Gross profit		**7,628,399**	8,305,669	**7,628,399**	8,305,669
Other income	20	**7,352,712**	8,801,726	**7,352,712**	8,801,726
Administrative expenses		**(9,735,442)**	(11,333,389)	**(9,728,180)**	(11,327,065)
Other operating expenses		**(492,558)**	(1,160)	**(616,691)**	(1,160)
Excess of income over expenditures	21	**4,753,111**	5,772,846	**4,636,240**	5,779,170
Taxation	22	**(1,593,054)**	(1,712,586)	**(1,593,054)**	(1,712,586)
		3,160,057	4,060,260	**3,043,186**	4,066,584

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

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Group

	Accummulated funds RM
Balance as at 31 December 2015	24,739,689
Excess of income over expenditure	4,060,260
Balance as at 31 December 2016	28,799,949
Excess of income over expenditures	3,160,057
Balance as at 31 December 2017	31,960,006

Company

	Accummulated funds RM
Balance as at 31 December 2015	24,884,229
Excess of income over expenditures	4,066,584
Balance as at 31 December 2016	28,950,813
Excess of income over expenditures	3,043,186
Balance as at 31 December 2017	31,993,999

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of income over expenditures before taxation	**4,753,111**	5,772,846	**4,636,240**	5,779,170
Adjustments for:				
Amortisation	**3,549**	7,353	**3,549**	7,353
Credit recognised for government grant	**(5,541,847)**	(6,605,756)	**(5,541,847)**	(6,605,756)
Depreciation	**1,174,049**	697,749	**1,174,049**	697,749
Other receivables written off	**7,647**	-	**7,647**	-
Amount due from a subsidiary writtten off	**-**	-	**124,133**	-
Inventories written off	**460,100**	-	**460,100**	-
Interest income	**(1,089,186)**	(1,081,736)	**(1,089,186)**	(1,081,736)
Trademark written off	-	1,467	-	1,467
Loss on disposal of property, plant and equipment	**24,811**	1,160	**24,811**	1,160
Operating loss before working capital changes	**(207,766)**	(1,206,917)	**(200,504)**	(1,200,593)
Increase in trade and other receivables	**(4,423,766)**	(348,098)	**(4,423,766)**	(348,098)
Decrease/(Increase) in inventory	**28,363**	(563,334)	**28,363**	(563,334)
Decrease in trade and other payables	**(276,794)**	(795,309)	**(280,031)**	(795,219)
Increase in amount due from a subsidiary company	**-**	-	**(4,025)**	(6,414)
Cash used in operations	**(4,879,963)**	(2,913,658)	**(4,879,963)**	(2,913,658)
Tax paid	**(1,137,206)**	(2,490,839)	**(1,137,206)**	(2,490,839)
Net cash used in operating activities	**(6,017,169)**	(5,404,497)	**(6,017,169)**	(5,404,497)

MYNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Continued

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 5)	**(810,546)**	(1,211,577)	**(810,546)**	(1,211,577)
Proceed from disposal of property, plant and equipment	**-**	5,415	**-**	5,415
Interest received	**1,089,186**	1,081,736	**1,089,186**	1,081,736
Purchase of intangible assets (Note 6)	**(17,712)**	-	**(17,712)**	-
Net cash generated from/ (used in) investing activities	**260,928**	(124,426)	**260,928**	(124,426)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts of government grants	**4,512,200**	7,535,400	**4,512,200**	7,535,400
Deferred income	**(778,493)**	(12,324)	**(778,493)**	(12,324)
Net cash provided by financing activities	**3,733,707**	7,523,076	**3,733,707**	7,523,076
Net (decrease)/ increase in cash and cash equivalents	**(2,022,534)**	1,994,153	**(2,022,534)**	1,994,153
Cash and cash equivalents brought forward	**33,747,287**	31,753,134	**33,747,285**	31,753,132
Cash and cash equivalents carried forward (Note 13)	**31,724,753**	33,747,287	**31,724,751**	33,747,285

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 the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the Companies Act, 2016 in Malaysia.

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

On 15 September 2016, the Companies Act, 2016 was enacted and it replaces the Companies Act, 1965 in Malaysia with effect from 31 January 2017.

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 Company:

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

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

- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)*
- MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in July 2014)*
- MFRS 15 *Revenue from Contracts with Customers*

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

- Amendments to MFRS 3 (Annual Improvements to MFRS Standards 2015–2017 Cycle)
- Prepayment Features with Negative Compensation (Amendments to MFRS 9)
- MFRS 16 Leases
- Amendments to MFRS 112 (Annual Improvements to MFRS Standards 2015–2017 Cycle)

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

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

- MFRS 2 *Share-based Payment- Classification and Measurement of Share-based Payment Transactions*
- MFRS 128 *Investments in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)*
- MFRS 140 *Investment Property- Transfer on Investment Property*

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

- Amendments to MFRS 11 (Annual Improvements to MFRS Standards 2015–2017 Cycle)
- Amendments to MFRS 123 (Annual Improvements to MFRS Standards 2015–2017 Cycle)
- Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)

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

- MFRS 17 Insurance Contracts

The application of these amendments has had no impact on the Company's financial statements.

(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'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

3. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 26 April 2018.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

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.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

(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.

(i) **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.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

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 Group, 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.

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

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

(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.

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 and other income**

(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.

(iii) **Interest income**

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

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

(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.

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:

1 USD RM 4.0620 (2016: USD RM 4.4860)
1 EUR RM 4.8510 (2016: EUR RM 4.7238)

(m) **Inventories**

Antivirus 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, expect 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.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

When measuring the fair value of an asset or a liability, the Company uses 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 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 Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

5. **PROPERTY, PLANT AND EQUIPMENT**

Group and Company

	COST				
	Balance as at 1.1.2017	**Additions**	**Transfers**	**Disposals**	**Balance as at 31.12.2017**
	RM	**RM**	**RM**	**RM**	**RM**
IT equipment	**8,248,725**	**181,340**	**140,695**	**-**	**8,570,760**
Furniture and fittings	**224,104**	**8,449**	**-**	**(59,175)**	**173,378**
Motor vehicles	**155,346**	**-**	**-**	**-**	**155,346**
Office equipment	**288,701**	**15,754**	**-**	**(64,141)**	**240,314**
Renovation and improvement	**935,022**	**66,390**	**-**	**(449,650)**	**551,762**
Capital work-in -progress	**56,295**	**538,613**	**(140,695)**	**-**	**454,213**
	9,908,193	**810,546**	**-**	**(572,966)**	**10,145,773**

	ACCUMULATED DEPRECIATION			
	Balance as at 1.1.2017 RM	Additions RM	Disposals RM	Balance as at 31.12.2017 RM
IT equipment	**4,271,579**	**1,024,913**	**-**	**5,296,492**
Furniture and fittings	**151,280**	**14,550**	**(57,802)**	**108,028**
Motor vehicles	**54,372**	**31,069**	**-**	**85,441**
Office equipment	**218,323**	**33,483**	**(64,119)**	**187,687**
Renovation and improvement	**730,929**	**70,034**	**(425,720)**	**375,243**
Capital work-in-progress	**-**	**-**	**-**	**-**
	5,426,483	**1,174,049**	**(547,641)**	**6,052,891**

	NET CARRYING VALUE		Depreciation
	2017 RM	2016 RM	2016 RM
IT equipment	**3,274,268**	3,977,146	517,925
Furniture and fittings	**65,350**	72,824	23,281
Motor vehicles	**69,905**	100,974	31,069
Office equipment	**52,627**	70,378	33,714
Renovation and improvement	**176,519**	204,093	91,760
Capital work-in-progress	**454,213**	56,295	-
	4,092,882	4,481,710	697,749

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

	Group and Company	
	2017 RM	2016 RM
IT equipment	**3,515,608**	3,481,506
Furniture and fittings	**45,775**	870
Office equipment	**97,611**	87,754
	3,658,994	3,570,130

Included in property, plant and equipment of the Group are assets with carrying values of RM3,666,934 (2016: RM3,924,976) which were acquired using the grants 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 are Capital work-in-progress amounting to RM454,213 (2016: RM56,295) which consists of progress payments made by the Company for the purchases of software.

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

6. INTANGIBLE ASSETS

	Group and Company	
	2017 RM	2016 RM
Trademarks		
Cost		
At 1 January	**35,489**	36,956
Additions for the year	**17,712**	-
Disposal made during the year	**-**	(1,467)
At 31 December	**53,201**	35,489
Accumulated amortisation		
At 1 January	**10,897**	3,544
Charged for the year	**3,549**	7,353
At 31 December	**14,446**	10,897
Net carrying amount		
At 31 December	**38,755**	24,592

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2017 RM	2016 RM
Unquoted shares, at cost	**2**	2

The subsidiary incorporated in Malaysia, is:

	Paid up capital	Group's effective interest (%)		
Name of company	**RM**	**2017**	2016	Principal activity
Ebiz1 Asia Sdn. Bhd.	**2**	**100**	100	Dormant

8. INVENTORIES

	Group and Company	
	2017	2016
	RM	RM
At cost:		
PSB licence	**74,871**	99,900
Accellion licence	**-**	463,434
	74,871	563,334

9. TRADE RECEIVABLES

	Group and Company	
	2017	2016
	RM	RM
Trade receivables	**6,944,949**	2,448,558
Less: Accumulated impairment losses	**(383,730)**	(383,730)
	6,561,219	2,064,828

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group and Company	
	2017	2016
	RM	RM
Other receivables	**421,284**	541,430
Deposits and prepayments	**450,388**	410,000
Tax recoverable	**116,946**	-
	988,618	951,430

11. AMOUNT DUE FROM A SUBSIDIARY COMPANY

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

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

12. OTHER INVESTMENTS

	Group and Company	
	2017	2016
	RM	RM
Deposits with licensed banks	**23,742,000**	17,500,000

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 equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Cash in hand and at banks	**2,579,753**	4,227,287	**2,579,751**	4,227,285
Deposits with licensed banks	**29,145,000**	29,520,000	**29,145,000**	29,520,000
	31,724,753	33,747,287	**31,724,751**	33,747,285
Less: Other investments (deposit more than 3 months)	**(23,742,000)**	(17,500,000)	**(23,742,000)**	(17,500,000)
	7,982,753	16,247,287	**7,982,751**	16,247,285

14. DEFERRED INCOME

	Group and Company	
	2017	2016
	RM	RM
Government grants	**7,521,761**	8,551,408
Domain name registrations	**1,808,457**	2,586,950
	9,330,218	11,138,358

Government Grants

	Group and Company	
	2017	2016
	RM	RM
Balance at the beginning of the year	**8,551,408**	7,621,764
Additions during the year	**4,512,200**	7,535,400
	13,063,608	15,157,164
Credit recognised for government grants in the income statements	**(5,541,847)**	(6,605,756)
Balance at the end of year	**7,521,761**	8,551,408

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 TAXATION

	Group and Company	
	2017	2016
	RM	RM
Deferred taxation	**7,600**	7,600

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

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

	Group and Company	
	2017	2016
	RM	RM
Capital allowances in excess of depreciation	**7,600**	7,600

16. TRADE PAYABLES

	Group and Company	
	2017	2016
	RM	RM
Trade payables	**154,342**	182,981

17. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Other payables	**244,487**	436,087	**238,690**	436,087
Accruals	**1,199,946**	1,256,501	**1,199,946**	1,253,941
	1,444,433	1,692,588	**1,438,636**	1,690,028

18. REVENUE

	Group and Company	
	2017	2016
	RM	RM
Domain name subscriptions	**12,210,201**	11,422,535
Resellers maintenance fee	**-**	174,000
Business Online Bundle (BOB)	**28,418**	208,726
Hosting Fees	**2,203**	46,905
Antivirus	**-**	44,060
Email	**2,640**	17,100
	12,243,462	11,913,326

19. COST OF SERVICES RENDERED

	Group and Company	
	2017	2016
	RM	RM
Customer service centre	**321,000**	410,400
Hardware and software services	**590,962**	613,813
License fees	**504,366**	185,059
Network and data centre fee	**1,068,353**	1,006,475
Cost of personnel	**1,105,469**	873,985
Depreciation	**1,024,913**	517,925
	4,615,063	3,607,657

20. OTHER INCOME

	Group and Company	
	2017	2016
	RM	RM
Government grant		
- development	**955,789**	430,936
- operating	**4,586,058**	6,174,820
Interest income	**1,089,186**	1,081,736
Miscellaneous	**75,248**	320,432
Training and seminar	**646,431**	793,802
	7,352,712	8,801,726

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

21. EXCESS OF INCOME OVER EXPENDITURES

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

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Auditors' remuneration	**24,500**	24,500	**23,000**	23,000
Amortisation	**3,549**	7,353	**3,549**	7,353
Depreciation	**1,174,049**	697,749	**1,174,049**	697,749
Directors' remuneration	**314,129**	229,000	**314,129**	229,000
Loss on disposal of property, plant and equipment	**24,811**	1,160	**24,811**	1,160
Trademark written off	**-**	1,467	**-**	1,467
Rental of premises	**637,509**	588,108	**637,509**	588,108
Rental of photocopy machine	**11,100**	9,800	**11,100**	9,800
Other receivables written off	**7,647**	-	**7,647**	-
Amount due from subsidiary written off	**-**	-	**124,133**	-
Inventories written off	**460,100**	-	**460,100**	-

22. TAXATION

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Current income tax expense	**1,800,000**	1,890,000	**1,800,000**	1,890,000
Over provision of taxation in prior years	**(206,946)**	(177,414)	**(206,946)**	(177,414)
	1,593,054	1,712,586	**1,593,054**	1,712,586

Reconciliation of tax expense with excess of income over expenditures:

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Excess of income over expenditures	**4,753,111**	5,772,846	**4,636,240**	5,779,170
Tax at the current income tax rate of 28%	**1,330,871**	1,616,397	**1,298,147**	1,618,168
Tax effect in respect of:				
Non-allowable expenses	**2,153,674**	2,226,609	**2,186,398**	2,224,838
Non-taxable income	**(1,551,717)**	(1,919,469)	**(1,551,717)**	(1,919,469)
Utilisation of capital allowances	**(24,493)**	(33,537)	**(24,493)**	(33,537)
Over provision of taxation in prior years	**(206,946)**	(177,414)	**(206,946)**	(177,414)
Effect on the reductions of income tax rate	**(108,335)**	-	**(108,335)**	-
Tax expense	**1,593,054**	1,712,586	**1,593,054**	1,712,586

23. STAFF COSTS

	Group and Company	
	2017	2016
	RM	RM
Salaries, allowances and bonus	**4,922,766**	4,561,698
EPF contributions	**841,640**	769,531
SOCSO contributions	**47,249**	44,253
Other staff related expenses	**42,465**	37,629
	5,854,120	5,413,111

Included in staff cost is an amount of RM1,105,469 (2016: RM2,931,792) 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 66 (2016: 65).

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

24. CAPITAL COMMITMENT

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

	Group and Company	
	2017	2016
	RM	RM
Authorised and contracted for:		
Capital expenditure for consultancy and hardware and software maintenance	**906,064**	-

25. 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.

26. FINANCIAL INSTRUMENTS

(a) **Categories of financial instruments**

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

(i) Loans and receivables (L&R);

(ii) Other liabilities (OL).

	Carrying amount RM	L&R/ (OL) RM
2017		
Group		
Financial assets		
Trade and other receivables	**7,432,891**	**7,432,891**
Other investments	**23,742,000**	**23,742,000**
Cash and cash equivalents	**7,982,753**	**7,982,753**
	39,157,644	**39,157,644**
Financial liabilities		
Trade and other payables	**(1,598,775)**	**(1,598,775)**
Company		
Financial assets		
Trade and other receivables	**7,432,891**	**7,432,891**
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**
	39,185,838	**39,185,838**
Financial liabilities		
Trade and other payables	**(1,592,978)**	**(1,592,978)**

	Carrying amount RM	L&R/ (OL) RM
2016		
Group		
Financial assets		
Trade and other receivables	3,016,258	3,016,258
Other investments	17,500,000	17,500,000
Cash and cash equivalents	16,247,287	16,247,287
	36,763,545	36,763,545
Financial liabilities		
Trade and other payables	(1,875,569)	(1,875,569)

	Carrying amount	L&R/ (OL)
2016		
Company		
Financial assets		
Trade and other receivables	3,016,258	3,016,258
Amount due from a subsidiary company	148,304	148,304
Other investments	17,500,000	17,500,000
Cash and cash equivalents	16,247,285	16,247,285
	36,911,847	36,911,847
Financial liabilities		
Trade and other payables	(1,873,009)	(1,873,009)

(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 to the Group and the Company 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 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 and the Company have 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 and the Company. The Group and the Company use 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.

Impairment losses

The Group and the Company maintain an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
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**
2016			
Group and Company			
Past due 0-30 days	2,052,581	-	2,052,581
Past due 31-120 days	372	-	372
Past due more than 120 days	395,605	(383,730)	11,875
	2,448,558	(383,730)	2,064,828

Company no. : 735031-H

MYNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2017

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

	Group and Company	
	2017	2016
	RM	RM
At 1 January	**383,730**	383,730
Impairment loss recognised	**-**	-
At 31 December	**383,730**	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.

(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 exposure to liquidity risk arises principally from its various payables and loans.

The Group and the Company maintain 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.

27. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous year except for the followings:

	As stated	As previously reported
Statements of Profit or Loss and Other Comprehensive Income	**RM**	**RM**
Group		
Cost of service rendered	3,607,657	4,866,592
Administrative expenses	11,333,389	10,074,454

Changes due to reclassification of staff cost. Only staff cost which directly related to the registration and fulfilment of MYNIC product services are categorize under cost of services rendered.

MYNIC Berhad (735031-H)
Level 3, Block C
Mines Waterfront Business Park
No. 3, Jalan Tasik, Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia

t +603 8943 5510 w mynic.my
f +603 8943 5520 MYNIC Berhad