

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of the Gabungan Komputer Nasional Malaysia will be held at the **Arcadia 2, Level 3, Armada Hotel, Lorong Utara C, Petaling Jaya, Selangor Darul Ehsan** on **Thursday, 26 June 2014 at 6.30 p.m**

AGENDA

1. To receive and, if approved, to adopt the Annual Report of the Council for the year ended December 31, 2013
2. To receive and, if approved, to adopt the Audited Financial Statements for the year ended December 31, 2013.
3. To receive and approve the estimates of Income and Expenditure and the programme of activities for the year 2014.
4. To elect six (6) members to the Council.

Pursuant to Article 32, the following members have been nominated for election to the Council.

- (1) Prof. Dr. Ahmad Zaki A Bakar
- (2) Dato' Dr. Raja Malik Raja Mohamed
- (3) Hasannudin Saidin
- (4) Lee Nan Phin
- (5)
- (6)

5. To re-appoint C H Wong & Co. as Auditors.
6. To transact any other business of which due notice shall have been given.

By order of the Council

Lim Chen Yam
Secretary

Petaling Jaya
June 2014

NOTE:

Pursuant to Section 149 of the Companies Act 1965, a member entitled to attend and vote at the meeting is entitled to appoint another person or persons (whether member or not) as his proxy to attend and vote instead of the member. The instrument appointing the proxy must be deposited at the Registered Office of the Gabungan at Unit 916, 9th Floor, Block A Damansara Intan, No. 1 Jalan SS 20/27, 47400 Petaling Jaya not less than 24 hours before the time set for holding the meeting.

OBJECTS OF THE GABUNGAN

The principal objects of the Gabungan as set out in the Memorandum and Articles of Association of the Gabungan are :

- To establish and maintain a national organisation for persons concerned with and interested in the application and practice of Information Technology, Computer Science, Information Processing and related disciplines.
- To promote and develop the science of Information Technology and to foster and maintain research and development into the best means and methods of developing and applying such science and to encourage, disseminate and promote knowledge, education and training and the exchange of information and ideas in respect of all questions relating thereto or connected therewith.
- To provide means for considering questions affecting the interests of the computing profession and take whatever action that may seem desirable in relation to legislative or other measures affecting the profession.
- To extend as widely as possible the knowledge and appreciation of Information Technology, Information Processing Systems, computer-based control systems and theory related thereto.

OUR ORGANISATION

The Gabungan Komputer Nasional Malaysia [Malaysian National Computer Confederation (MNCC)] is the professional association for those involved in the field of Information Technology.

OUR VISION

MNCC is a confederation dedicated to the development of IT professionals and creation of an information rich society.

OUR MISSION

MNCC's mission is to achieve global competitive advantage through IT Professional Excellence.

COUNCIL 2013/2014*Year Joined
Council***President**

Prof. Dr. Ahmad Zaki A Bakar 2012

Vice PresidentHasannudin Saidin 2008 (*Appointed on 13 July 2013*)**Members**

Dato' Dr. Raja Malik Raja Mohmaed	1998
Lee Nan Phin	2002
Hj Mohamed Afandi Ismail	2004
Simon Seow	2003
Lim Joo Soon	2013 (<i>Appointed on 27 June 2013</i>)
R Kunaseelan	2011
Abu Mansur A. Manaf	2011
Hj. Mohd Nasruddin M. Ariffin	2011
Othman Bin Bakri	2011 (<i>Retired on 27 June 2013</i>)

- Number of meetings = 4

MANAGEMENT COMMITTEE 2012/2013**Chairman**

Prof. Dr. Ahmad Zaki A Bakar - President

Members

Hasannudin Saidin	- Vice President
Dato' Dr Raja Malik Raja Mohamed	- Council Member
Lee Nan Phin	- Council Member
R. Kunaseelan	- Council Member

- Number of meetings = 3

Executive Director

Syed Mohamed Syed Hussin

Secretary

Lim Chen Yam

Registered OfficeUnit 916, 9th Floor, Block A, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya**Regional Office**

- Penang Regional Centre, P O Box 673, 10780 Pulau Pinang
 - Johore/Melaka Regional Centre,
 122, Jalan Susur Perdana Tengah, Taman Bukit Perdana 2, 83000 Batu Pahat, Johor.

Auditors

C H Wong & Co
 2nd Floor, Wisma RKT, No. 2, Jalan Raja Abdullah, Off Jalan Sultan Ismail,
 50300 Kuala Lumpur

COMMITTEES 2013/2014

<p>Membership Approval Prof. Dr. Ahmad Zaki A Bakar (<i>Chairman</i>) – Hasannudin Saidin (<i>Appointed on 13 July 2013</i>) R Kunaseelan Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Promotion Hj. Mohd Nasruddin M. Ariffin (<i>Chairman</i>) – Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Professional Development Abu Mansur A. Manaf (<i>Chairman</i>) Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Web Development/Publications Lee Nan Phin (<i>Chairman</i>) Lim Chen Yam Syed Mohamed Syed Hussin</p> <p>Special Interest Groups (SIG)</p> <p>Open Source SIG Abu Mansur A. Manaf (<i>Chairman</i>)</p> <p>Cloud Computing SIG Hasannudin Saidin (<i>Chairman</i>)</p> <p>Information Security SIG Lim Joo Soon (<i>Chairman</i>)</p>	<p>Penang Regional Centre (Regional Committee)</p> <p>S Krishnan (<i>Chairman</i>) Surya Dharamdass (<i>Vice-Chairman</i>) Lee Poh Chai (<i>Honorary Secretary</i>) Lim Chin Tian (<i>Honorary Treasurer</i>) Khoo Kay Teong Lee Choon Hong Saw Chee Wai Prof. Dr. Zulkhairi</p> <p>Johore/Melaka Regional Centre (JOMERC) (Regional Committee)</p> <p>Ng Poh Horng (<i>Chairman</i>) How Munn Po (<i>Vice-Chairman</i>) Bridget Lim (<i>Honorary Secretary</i>) Cheng Hui Siang (<i>Honorary Treasurer</i>) Irvine Hing Lim Ai Zhi Sally Sim Wallace Lim</p> <p>IT Governance 2012 Organising Committee</p> <p>Eddie Leng (<i>Chairperson</i>) - ISACA Lim Chen Yam (<i>Secretary</i>) - MNCC Foo Mei Ling - ISACA Michelle Lee- ISACA Retnendran - ISACA Lee Chin Hon - ISACA Kumaran Sinniah - ISACA Elissa Cher – ISACA Bryan Wong – ISACA R Kunaseelan - MNCC Syed Mohamed Syed Hussin - MNCC Lee Nan Phin – MNCC Simon Seow - MNCC</p>
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PRESIDENT'S STATEMENT

This year 2014, MNCC like many other organizations in the world goes through VUCA; an acronym used to describe or reflect on the volatility, uncertainty, complexity and ambiguity of general conditions and situations of the world. The many changes brought in by the Malaysian government to improve the ICT industry through the formation of the Ministry of Communication and Multimedia (KKM) will have a positive effect in the long term but produced side-effects that has affected many MNCC plans in the pipeline as well as the ICT industry as a whole. For example, the proposal for the creation of the Board of Computing Professionals Malaysia (BCPM) has stalled due to the handover of the custodian of the proposal from the Ministry of Science, Technology and Innovation (MOSTI) to KKM. As reported in the previous AGM, BCPM is crucial to the future development of Malaysian ICT professionals and the possibility of Malaysia signing the Seoul Accord that will provide mutual recognition of our ICT qualifications. At the moment, the ICT or computing profession is still not regarded as a professional career in Malaysia like the medical doctors, engineers, surveyors and architects. If BCPM materializes then the dual model like the Board of Engineers and the Institution of Engineers Malaysia will provide MNCC a better role to play in the ICT professional development.

Hence, without BCPM, academics and computer professionals have no strong reason to join MNCC and prefer to join other international ICT organizations like the IEEE Computer Society and the Association of Computing Machinery (ACM) as well as other local societies. We sincerely hope by next year, our profession will finally be recognized and be given the professional standing it deserves with the establishment of BCPM.

MNCC of course has not been idle and sought to clarify the matter to KKM and the Malaysian Communications and Multimedia Commission (MCMC) as well as offer our services to assist KKM and MCMC in whatever way possible. The need to have BCPM was also discussed and inserted as a concrete plan for the Malaysian 11th Master Plan at the various working groups that MNCC participated. MNCC will certainly actively pursue the matter until the creation of BCPM. The final form of the organization is not clear yet but it will certainly ensure the interest of our ICT profession.

This year we celebrate MNCC 45th anniversary with not much fanfare due to our austerity drive. If all of our members assist MNCC to become stronger, we will surely be able to celebrate MNCC 50th anniversary in style. Let us all work hard to this better future.

FINANCIAL RESULTS

The income for the year ending December 31, 2013 was RM 93,967 a decrease of RM 62,423 over the previous year. 2013 recorded an operating deficit of RM 53,176 because we only managed to organize only 1 conference and 2 workshops.

MEMBERSHIP

There were 11 new admissions, 1 upgrading, 9 resignations, 2 reinstatements and 69 deletions during the year. As at 31 December 2013, the Gabungan has a total of 268 members compared to 333 in the preceding year.

Grade	2013	2012
Fellow	2	2
Member	168	221
Life Member	39	31
Associate	39	44
Provisional Associate	8	13
Affiliate	3	4
Student	9	18
	268	333

MEMBERSHIP PROMOTION

A meeting was arranged with PERJASA (Public Sector Systems Analyst Association) on 7 March 2014. Several important issues relating to professionalism, BCPM, membership and collaboration were discussed. With regard to membership we proposed that an MNCC Chapter is formed in PERJASA. Towards this we have sent them our Bye Laws of Regional Centre for them to study. A follow up meeting is being scheduled.

Our next focus will be the universities. We will be writing to the universities informing them about MNCC as well as our involvement towards IT professionalism. For a start a follow-up with 3 universities namely UM, UITM and UNITEN will be scheduled..

ICT EXCELLENCE AWARDS

We were looking forward to a continuation of the collaboration with Taylor. We were not able to do so due to a change of management and movement of key staffs involved in the program to other universities..

WEBSITE DEVELOPMENT

Work is still underway but progressing at a very slow pace. This is due to commitments of those involved as it is done on a voluntary basis.

OPEN SOURCE SIG (OSSIG)

The Chairman managed to bring in a number of new members. He was trying his best to carry out its activities but due to a change of job with heavier responsibilities and frequent outstation assignments has nullified his efforts. Being a very responsible person he has submitted his resignation as a Council member. We are in the process of finding a replacement.

CLOUD COMPUTING SIG

This SIG has been renamed Cloud Computing SIG in line with the latest development in this field. The chairman has been entrusted to boost its membership and activity with this change in focus.

INFORMATION SECURITY SIG

This SIG has just been formed at the request of Mr. Lim Joo Soon. The Council appointed him as the chairman. He is still in the process of getting members.

CONFERENCES, SEMINARS AND EXHIBITIONS

IT GOVERNANCE CONFERENCE 2013

The above conference was successfully held on 18 to 19 June 2013 at the One World Hotel, Petaling Jaya again. This year's conference attracted 107 paying delegates more than the previous years. However there was less income from sponsorship as compared to 2012.. The format followed that of last year's with masterclass on the second day based on the favourable evaluation from the participants.

PUBLIC SECTOR CIO/MYGOSCON CONFERENCE 2013

The conference was held on 10 December 2013 at Putrajaya Marriot Hotel.. MNCC was entrusted to get the participation of CIOs from GLC. We managed to get only 7 participants given a very limited duration for marketing (8 days before the event) and due to limited focus as the event was a combination of three events in one. We were allowed to charge RM 300.00 per participant and that brought in a small income for us.

IT GOVERNANCE CONFERENCE 2014

It will be held from the 24th. to 25th June 2014. This time the Organising Committee decided on a change of venue after having it for three consecutive years in One World Hotel Bandar Utama. The venue chosen is Hotel Istana Kuala Lumpur. The program structure is maintained based on the feedback from the participants. A slight change is introduced for the first day with a dialogue session on GST. By the time this report is done we already have 120 registrations which is beyond our expectation of an equivalent numbers with past years.

WORKSHOPS

In 2013 we managed to organise only two workshops due to the lack of practical focus subject as well as suitable and experienced facilitators.

(i) WORKSHOP ON PROJECT RISK MANAGEMENT MADE EASY

The above was held on 20 March 2013 at Armada Hotel Petaling Jaya. It was facilitated by Mr. Khor Soon Kheng a very experienced person involved in PMI certification programme. The workshop was attended by 23 participants. They gave a very good feedback on the workshop and facilitator.

(ii) WORKSHOP ON PMO

This workshop was held on 28 August 2013 at Armada Hotel Petaling Jaya. It attracted 25 participants. Mr. Khor Soon Kheng was again facilitating the workshop based on the success of the first workshop. The participants evaluated the workshop and facilitator very favourably.

EVENING TALKS

We have not managed to have evening talks. Some ideas were mooted during the Council Meetings but we fall short in implementing it due to business commitments of those entrusted to carry it out.

REGIONAL CENTRES PENANG REGIONAL CENTRE

PERC-MNCC Committee Meetings and Attendance

A total of 4 meetings were held during the year 2013. Meetings were usually held on Sunday mornings (from 9.30 am): The meetings were held at PERC's office in Kompleks Masyarakat Penyayang (KMP) Jalan Utama.

Meetings State Government of Penang

The Chairman has regular meetings with Y Bhg Dato' Muhammad Yusoff Wazir, Deputy State Secretary regarding PERC related matters. Y HBhg Dato' has been helpful to PERC's cause.

PERC-MNCC ACTIVITIES FOR 2013

During 2012, PERC implemented the following activities in line with objectives set out in the MNCC Regional Centre By Laws.

24th AGM of PERC-MNCC

The 24th AGM was supposed to have been held on 22nd June 2013, however the meeting was 2 members short of a quorum and after half an hour members present proposed for the meeting to be adjourned to 29th June 2013 in line with established practice based on past advice from MNCC HQ derived from Articles 70 and 71 of the Articles of Association of MNCC. Members agreed to proceed with the meeting with no objections whatsoever, proposed by Mr Mr Khoo Kay Teong and seconded by Lee Choon Hong.

Mr Krishnan a/l Somasundram, the outgoing PERC Chairman, chaired the meeting which began at 1510 hrs as provided in Clause 22 of the Regional Centre By Laws. 6 members were in attendance and in accordance with Articles 70 and 71 of the Articles of Association of MNCC stated above, members present formed the quorum and agreed to proceed with the meeting which proceeded smoothly. Chairman expressed his appreciation to all present. PERC is unclear about subscription payment status of members in view of uncertainty in the list received from MNCC HQ and all members present were advised to ensure that their subscriptions are not in arrears.

The meeting expressed regret that some members did not find time to attend the AGM resulting in an adjourned meeting which entails additional expenditure and effort. There must be sufficient support from members in order for PERC to continue to serve the IT community. The biggest disappointment was from student members. There was no representation from student members despite the many appeals that were made by Chairman himself to the Head of School and the students. The students missed an opportunity to be able to mix and interact with members who are already working. The networking would help them in the future when they complete their studies. PERC hopes that in future student members are given encouragement by the Colleges concerned to participate in the AGM.

Professional Visit to Kobe Precision Technology Sdn Bhd

PERC-MNCC successfully organised a professional visit to **Kobe Precision Technology Sdn Bhd (KPTec)** on Thursday, 31st January 2013 between 9.30 am to 12.15 pm. A total of 39 participants from various organisations attended the visit. Participants were first given a briefing by the on KPTec's operations by its COO. Later a window tour of the manufacturing facility was conducted. KPTec's officials also entertained questions from the participants. Participants found the visit very interesting, educational and useful. PERC is very appreciative of the warm hospitality accorded including snacks. Group photographs were also taken by KPTec's coordinator. An appreciation note was sent to the management of Kobe.

KPTec was incorporated in Penang in February 1992. It is a wholly-owned subsidiary of Kobe Steel Ltd, Japan. It manufactures and sells aluminum ground substrates for thin-film disks - the primary high-capacity storage medium for digital data in computers and consumer appliances.

Professional Visit to B. Braun Medical Industries Sdn Bhd

The Penang Regional Centre Of The Malaysian National Computer Confederation (PERC-MNCC) successfully organised a professional visit to **B. Braun Medical Industries Sdn Bhd.** on Wednesday, 23rd October 2013 between 9.00 am to 1.00 pm. There was a good

response of 23 from various organisations who participated in the visit. B. Braun Medical Industries was kind enough to allow the visit despite ongoing extensive renovation works in the plant. Participants were first given a briefing on B. Braun's operations by Ms Teresa Huan of Corporate Communications and on ICT Operations by Mr Rainer Schimpf, Chief Information Officer of B Braun Medical Industries. Later a window tour of the manufacturing facility was conducted. In addition, a video presentation was also given. B. Braun's officers also entertained questions from the participants. Participants found the visit very interesting, educational and useful. PERC is very appreciative of the warm hospitality accorded including snacks. Group photographs were also taken. An appreciation note was sent to the management of B. Braun Medical Industries Sdn Bhd.

State Relations - Penang Human Resource Development Council

PERC Chairman continues to be represented in the Penang State Human Resources Development Council (Majlis Pembangunan Sumber Manusia). PERC has been represented since 1991/1992. Chairman attended the meetings of the Penang State Human Resource Development Council on 17th June 2013 (Meeting No. 1) at 10.00am and Meeting No. 2 on 10th September 2013 at 10.00 am.

PERC Bits

PERC Bits is an online newsletter of PERC-MNCC sent to members to keep them updated of forthcoming events and reports of activities implemented and a forum for member interaction. Eight issues of our newsletter PERC Bits were sent out to members in 2013.

PERC Blog

PERC continues to maintain its own Blog at this link: <http://perc-mncc.blogspot.com/>. This is a useful means of communication between members and others in IT fraternity.

JOHORE/MELAKA REGIONAL CENTER (JOMERC)

In line with the government decision to implement GST in April 2015 JOMERC co-organized a GST seminar with EAC Software Sdn Bhd and MySOFT Enterprise Sdn Bhd in Johor on 16th and 17th April 2013. This seminar was to clarify to the IT business community its implications and implementations and possibility of business opportunities in terms of software in GST implementation for companies. It was well attended.

JOMERC Committee members visited Industrial Automation Show from November 5th, to 9th in Shanghai. This is a regular activity as JOMERC members has business connections and also as an effort to find new business opportunities in the light of China's blossoming economy.

NATIONAL RELATIONS

The Gabungan continues to maintain close liaison with the Government and participated actively in the dialogues and meetings held by Government departments and agencies on matters related to Information Technology.

Gabungan representatives served in the following committees:

- Majlis Penyelidikan dan Kemajuan Sains Negara (MPKSN)
- Jawatankuasa Pengiktirafan Kepakaran ICT Sektor Awam (JPA)
- Jawatankuasa Teknikal Kepakaran ICT Sektor Awam (MAMPU)
- Panel Mengenai Industri Perisian Komputer, Kementerian Perdagangan Antarabangsa dan Industri (MITI)
- Technical Working Group on ICT R & D and Human Resource for the 11th Malaysia Plan.
- NPC Consultative Panel on Information Technology
- Training Committee for Industry and Service Sector – Information Communication Technology Cluster (ICT) under Pembangunan Sumber Manusia Berhad (PSMB) of the Ministry of Human Resource
- Jawatankuasa Standards Industri bagi Teknologi Maklumat Telekomunikasi dan Multimedia - SIRIM
- SIRIM Standards Technical Committee in Identification Cards and Related Devices – TC6
- SIRIM's Standard Technical Committee on Software Engineering
- SIRIM's Technical Committee 'Information Security Standards'

INTERNATIONAL RELATIONS

INTERNATIONAL FEDERATION FOR INFORMATION PROCESSING (IFIP))

MNCC's membership in IFIP has been terminated by the end of the year as the Gabungan has not paid the subscriptions for 3 years. Our appeal to pay the subscription arrears has been rejected. Our affiliation with IFIP will be done through SEARCC thus we still can participate in its activities as SEARCC is a member of IFIP.

SOUTH EAST ASIA REGIONAL COMPUTER CONFEDERATION (SEARCC)

We hosted the SEARCC EXCO 01/14 meeting on the 21st. April 20 at the Armada Hotel Petaling Jaya. MNCC will be taking over the SEARCC Presidship as the host of SEARCC Conference 2014.

AUSTRALIAN COMPUTER SOCIETY (ACS)

The Gabungan continues to maintain reciprocal relations with the Australian Computer Society.

BRITISH COMPUTER SOCIETY

The Gabungan continues to maintain reciprocal relations with the British Computer Society.

SINGAPORE COMPUTER SOCIETY

The Gabungan continues to maintain reciprocal relations with the Singapore Computer Society.

ACKNOWLEDGEMENT

On behalf of the Council, let me express my gratitude to the various government agencies, especially KKMM, MOSTI, MAMPU, MIMOS, and other organizations for their continued support and cooperation. Our heartfelt appreciation are also due to members of the various committees for their numerous contributions and last but not least to the Gabungan's Secretariat that functions as the nerve center for MNCC to continue to be relevant and being able to contribute in IT development for the benefit of its members in particular and to the country in general

Prof. Dr. Ahmad Zaki A Bakar
President

GABUNGAN KOMPUTER NASIONAL MALAYSIA

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

REPORT OF THE COUNCIL FOR THE YEAR ENDED DECEMBER 31, 2013

The Council hereby submits their Annual Report and the Audited Financial Statements of the Gabungan for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the Gabungan is to promote the interests of the Information Technology profession.

There has been no significant change in the nature of this activity during the financial year.

FINANCIAL RESULTS

	RM
Operating deficit for the financial year	(53,176)
Add : Accumulated fund brought forward from the previous year	258,065

Accumulated fund carried forward to next financial year	204,889
	=====

DIVIDENDS

In accordance with the Memorandum of Association of the Gabungan, no dividends are payable to members of the Gabungan.

RESERVES AND PROVISIONS

The Gabungan does not have any reserve accounts.

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

BAD AND DOUBTFUL DEBTS

Before the statement of income and expenditure and the statement of financial of the Gabungan were made out, the Council took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and had satisfied themselves that all known bad debts had been written off.

At the date of this report, the Council is not aware of any circumstances that would render the amount written off for bad debts inadequate to any substantial extent.

CURRENT ASSETS

Before the statement of income and expenditure and the statement of financial position of the Gabungan were made out, the Council took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of activities including their value as shown in the accounting records of the Gabungan have been written down to an amount which they might be expected so to realise.

At the date of this report, the Council is not aware of any circumstances that would render the values attributed to the current assets in the accounts of the Gabungan misleading.

VALUATION METHODS

At the date of this report, the Council is not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Gabungan misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Gabungan 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 Gabungan which has arisen since the end of the financial year.

No contingent liability or other liability of the Gabungan 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 Council, will or may affect the ability of the Gabungan to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Council is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Gabungan, that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operation of the Gabungan for the financial year were not, in the opinion of the Council substantially affected by any item, transaction or event of a material and unusual nature. In the interval between the end of the financial year and the date of this report there has not arisen any transaction or event of a material and unusual nature likely, in the opinion of the Council members, to affect substantially the results of the operations of the Gabungan for the financial year in which this report is made.

COUNCIL

The members who served in the Council since the date of the last report are :-

Dato' Dr. Raja Malik Bin Raja Mohamed	
Seow Poon Shing	
Lee Nan Phin	
Mohamed Afandi Ismail	
Hasannudin Saidin	
Prof. Dr. Ahmad Zaki bin A Bakar	
Kunaseelan a/l Rajaretnam	(Retired and Re-appointed on 27.06.13)
Mohamad Nasruddin bin Mohamad Ariffin	(Retired and Re-appointed on 27.06.13)
Abu Mansur bin A Manaf	(Retired and Re-appointed on 27.06.13)
Othman bin Bakri	(Retired and on 27.06.13)
Lim Joo Soon	(Retired on 27.06.13)

In accordance with the Articles of Association of the Gabungan , the following Council members retire at the Annual General Meeting and they are eligible for re-election.

Dato' Dr. Raja Malik Bin Raja Mohamed
 Seow Poon Shing
 Lee Nan Phin
 Mohamed Afandi Ismail
 Hasannudin Saidin
 Prof. Dr. Ahmad Zaki bin A Bakar

MANAGEMENT COMMITTEE

The members of the Council who served in the Management Committee since the date of the last report are :

Prof. Dr. Ahmad Zaki bin A Bakar
 Hasannudin Saidin
 Dr Raja Malik Raja Mohamed
 Lee Nan Phin
 Kunaseelan Rajaretnam

COUNCIL MEMBERS' INTERESTS AND BENEFITS

The Gabungan is a company limited by guarantee and has no shares in which Council members could have an interest. Similarly, the Gabungan has not issued any debentures.

Since the end of the previous financial year, no member of the Council had been given any remuneration or other benefit in money or money's worth except for reimbursements of travelling and subsistence allowances incurred when acting in his official capacity for and on behalf of the Gabungan.

No member of the Council of the Gabungan has received or become entitled to receive any benefit by reason of a contract made by the Gabungan with the Council member or with a

firm of which the Council member is a member, or with a company in which the Council member has a substantial financial interest.

Neither during nor at the end of the financial year, was the Gabungan a party to any arrangements whose object is to enable the Council members to acquire benefits by means of the acquisition of shares or the debentures of anybody corporate.

AUDITORS

Messrs C H Wong & Co. retires at the Annual General Meeting and they have consented to seek re-appointment at the meeting.

On behalf of the Council

PROF. DR AHMAD ZAKI BIN A BAKAR

President

R. KUNASEELAN

Council Member

Petaling Jaya
, 2014

GABUNGAN KOMPUTER NASIONAL MALAYSIA
(A Company Limited by Guarantee)
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BALANCE SHEET AS AT 31ST DECEMBER 2013

	Note	2013 RM	2012 RM
PROPERTY, PLANT AND EQUIPMENT	6	5,107	5,824
CURRENT ASSETS			
Subscription in arrears		7,898	11,412
Other receivables, deposits and prepayments	7	5,103	17,497
Fixed deposits with a licensed bank	8	126,377	122,596
Cash and bank balances		70,573	105,603
		209,951	257,108
LESS: CURRENT LIABILITIES			
Subscription in advance		2,526	646
Other payables and accruals		7,643	4,221
		10,169	4,867
NET CURRENT ASSETS		199,782	252,241
		204,889	258,065
FINANCED BY:-			
ACCUMULATED FUND	9	204,889	258,065

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

GABUNGAN KOMPUTER NASIONAL MALAYSIA
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2013

	Note	2013 RM	2012 RM
INCOME			
Conference and seminars	10	67,356	124,653
Entrance fees		500	1,410
Fixed deposits with a licensed bank		3,781	4,757
Life members		6,000	5,000
Subscriptions		16,330	20,570
Other Income		-	-
		93,967	156,390
EXPENDITURE			
Administration expenses	11	120,690	124,921
Audit fee		3,000	2,800
Audit fee- Under provision in prior years		200	300
Deposit Written Off		-	370
Depreciation of property, plant and equipment		2,190	1,814
International relations	12	3,343	3,134
Meeting Expenses		6,256	8,527
Property, Plant and Equipment Written off		-	28
Subscription written off		11,464	13,450
		147,143	155,344
OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION	13	(53,176)	1,046
TAXATION	14	-	-
OPERATING (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(53,176)	1,046

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating deficit/surplus before taxation	(53,176)	1,046
Adjustments for :-		
Deposit written off	-	370
Depreciation of property, plant and equipment	2,191	1,814
Property, plant and equipment written off	-	28
Subscription written off	11,464	13,450
Interest income	(3,781)	(4,757)
Operating (deficit)/surplus before working capital Changes	(43,302)	11,951
Increase in subscriptions in arrears	(7,950)	(10,556)
Decrease/(Increase) in other receivables, deposits and prepayment	12,394	(507)
Increase/(Decrease) in subscriptions in advance	1,880	(142)
Increase/(Decrease) in accruals	3,422	(2,439)
Net Cash used in operating activities	33,556	(1,693)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,474)	(2,276)
Interest received	3,781	4,757
Net cash generated from investing activities	2,307	2,481
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(31,249)	788
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	228,199	227,411
CASH AND CASH EQUIVALENTS CARRIED FORWARD	196,950	228,199
NOTES TO THE CASH FLOW STATEMENT		
Cash and cash equivalent at the end of the financial year comprise:		
Fixed deposits with a licensed bank	126,377	122,596
Cash and bank balances	70,573	105,603
	196,950	228,199

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER, 2011**1. GENERAL INFORMATION**

- (a) The Gabungan is a company limited by guarantee, incorporated and domiciled in Malaysia.
- (b) The registered office and principal place of activity are situated at Unit 916, 9th Floor, Block A, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor.
- (c) The number of employees at the end of the financial year is 3 (2012: 3).
- (d) The financial statements are expressed in Ringgit Malaysia.

2. PRINCIPAL ACTIVITY

The principal activity of the Gabungan is to promote the interests of the Information Technology profession.

There has been no significant change in the nature of this activity during the financial year.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement of the Gabungan have been prepared in accordance with applicable approved Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Boards (“MASB”), International Financial Reporting Standards and the requirements of the Company Act, 1965 in Malaysia.

4. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

The financial statements of the Gabungan have been prepared under the historical cost convention unless otherwise stated in the financial statements.

The preparation of financial statements requires the council members to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the council members are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the directors’ best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 5(c).

Depreciation of property, plant and equipment is calculated on the straight line method to write off the cost of the assets over their estimated useful lives.

The annual rates used are as follows:-

Furniture and fittings	10%
Office equipment	20%

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Gain or losses arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the Income Statements.

(c) Impairment of assets

The carrying amounts of the Gabungan's non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of income and expenditure.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amounts. 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 has been recognised in the statement of income and expenditure.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets

(A) Initial recognition and measurement

A financial asset is recognised on the statement of financial position when, only when, the Gabungan becomes a party to the contractual provisions of the financial instrument. When the financial asset is recognised initially, it is measured at fair value which is normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

The Gabungan recognises financial assets using settlement date accounting, thus an asset is recognised on the day it is received by the Gabungan and derecognised on the day that it is delivered by the Gabungan.

(B) Subsequent measurement

Subsequent measurement of financial assets depends on the classification of the financial assets on initial recognition and the purpose for which the financial assets were acquired. The Gabungan classifies the financial assets in one of the following four categories:

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at reporting date, there were no financial assets classified in this category.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets (continued)

(B) Subsequent measurement (continued)

(ii) Loans and receivables

Financial assets with fixed or determined payments that are quoted in an active market are classified as loans and receivables. Assets that are for sale immediately or in the near term are not classified in this category.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method except that short term duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant minus any reduction for impairment or uncollectibility. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Gabungan has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

As at reporting date, there were no financial assets classified in this category.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets (continued)

(B) Subsequent measurement (continued)

(iv) Available-for-sale financial assets (continued)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are included in equity through the statement of changes in equity except that impairment losses and foreign exchange gains and losses are recognised in profit or loss. The cumulative gain or loss previously recognised in equity is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Gabungan's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

As at reporting date, there were no financial assets classified in this category.

(C) Derecognition of financial assets

Irrespective of the legal form of the transactions, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by MFRS 139. That test comprises two different types of evaluations which are applied strictly in sequence:

- Evaluation of the transfer of risks and rewards of ownership
- Evaluation of the transfer of control

Whether the assets are recognised/derecognised in full or recognised to the extent of the Gabungan's continuing involvement depends on accurate analysis which is performed on a specific transaction basis.

(D) Impairment of financial assets

The Gabungan assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial liabilities

(A) Initial recognition and measurement

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. On initial recognition the financial liability is recognised at fair value. The fair value is normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(B) Subsequent measurement

Financial liabilities falling within the scope of FRS 139 are classified according to the substance of the contractual arrangements entered into.

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories is as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Gabungan that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Gabungan has not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

Payables are recognised initially at fair value plus directly attributable transactions costs, and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) **Financial liabilities (continued)**

(C) **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(f) **Income recognition**

Income is recognised on the accrual basis.

(g) **Employee benefits**

(i) **Short term benefits**

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Gabungan.

(ii) **Defined contribution plans**

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the statement of income and expenditure as incurred.

(h) **Income tax**

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the financial period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of income and expenditure.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash flow statement

The Gabungan adopts the indirect method in the preparation of the cash flow statement.

Cash and cash equivalents comprise fixed deposits with a licensed bank, cash in hand and bank balances.

5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

5.1 MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year beginning 1 January 2013 *except for IC Interpretation 20* which is not applicable to the Gabungan:

- MFRS 10 *Consolidated Financial Statements*
- MFRS 11 *Joint Arrangements*
- MFRS 12 *Disclosure of Interests in Other Entities*
- MFRS 13 *Fair Value Measurement*
- MFRS 119 *Employee Benefits* (2011)
- MFRS 127 *Separate Financial Statements* (2011)
- MFRS 128 *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1 *First-time Adoption of Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1 *First-time Adoption of Financial Reporting Standards (Improvements to MFRSs (2012))*
- Amendments to MFRS 101 *Presentation of Financial Statements (Improvements to MFRSs (2012))*
- Amendments to MFRS 116 *Property, Plant and Equipment (Improvements to MFRSs (2012))*
- Amendments to MFRS 132 *Financial Instruments: Presentation (Improvements to MFRSs (2012))*
- Amendments to MFRS 134 *Interim Financial Reporting (Improvements to MFRSs (2012))*
- Amendments to MFRS 10 *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11 *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12 *Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvement 2009-2011 Cycle)*

The adoption of the above mentioned accounting standards, amendments and interpretations are not expected to have any significant impact on the financial statements of the Gabungan.

5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (continued)

5.2 New/Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not been adopted by the Gabungan:

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10 *Consolidated Financial Statements – Investment Entities*
- Amendments to MFRS 12 *Disclosure of Interests in Other Entities – Investment Entities*
- Amendments to MFRS 127 *Separate Financial Statements – Investment Entities*
- Amendments to MFRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21 *Levies*

The council members anticipate that the above mentioned accounting standards, interpretations and amendments will be adopted by the Gabungan when they become effective.

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 119 *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 2 *Share-based Payment (Annual Improvements 2010–2012 Cycle)*
- Amendments to MFRS 3 *Business Combinations (Annual Improvements 2010–2012 Cycle)*
- Amendments to MFRS 8 *Operating Segments (Annual Improvements 2010–2012 Cycle)*
- Amendments to MFRS 13 *Fair Value Measurement (Annual Improvements 2010–2012 Cycle)*
- Amendments to MFRS 116 *Property, Plant and Equipment (Annual Improvements 2010–2012 Cycle)*
- Amendments to MFRS 124 *Related Party Disclosure (Annual Improvements 2010–2012 Cycle)*
- Amendments to MFRS 138 *Intangible Assets (Annual Improvements 2010–2012 Cycle)*

5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (continued)

5.2 New/Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (continued)

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 July 2014 (continued)

- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 3 *Business Combinations (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 13 *Fair Value Measurement (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 140 *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Amendments to MFRSs and Interpretations effective for a date yet to be confirmed

- MFRS 9 *Financial Instruments (2009)*
- MFRS 9 *Financial Instruments (2010)*
- MFRS 9 *Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)*

The Gabungan has assessed, where practicable, the potential impact of all these accounting standards, amendments and interpretations that will be effective in future period, as below:

Amendments to MFRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments address inconsistencies in current practice when applying the offsetting criteria in MFRS 132, mainly by clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. They are effective for annual periods beginning on or after 1 January 2014, with retrospective application. As the Gabungan do not have offsetting arrangements in place, the council members do not anticipate any effect on its financial statements.

5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (continued)

5.2 New/Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (continued)

Amendments to MFRS 136 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. They are effective for annual periods beginning on or after 1 January 2014.

Amendments to MFRS 139 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

The amendments permit the continuation of hedge accounting in a situation where the counterparty to a derivative designated as a hedging instrument is replaced by a new central counterparty (known as ‘novation of derivatives’), as a consequence of laws or regulations, if specific conditions are met. They are effective for annual periods beginning on or after 1 January 2014. The council members do not anticipate any effect on the Gabungan’s financial statements, in the absence of such transactions.

IC Interpretation 21 Levies

The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The obligating event for the recognition of a liability is the activity that triggers the payment of the levy in accordance with the relevant legislation. It also provides guidance on recognition of a liability to pay levies: the liability is recognised either progressively if the obligating event occurs over a period of time, or when the minimum threshold is reached if an obligation is triggered on reaching that minimum threshold. The interpretation is effective for annual periods beginning on or after 1 January 2014 and is not expected to impact the Gabungan’s financial statements.

5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (continued)

5.2 New/Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (continued)

MFRS 9 Financial Instruments (2009 and 2010)

This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

MFRS 9 requires all recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting period.

The most significant effect of MFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under MFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is recognised in profit or loss.

The derecognition provisions are carried over almost unchanged from MFRS 139.

MFRS 9 is effective for a date yet to be confirmed, by which time it will include requirements and guidance on impairment and hedge accounting. The directors anticipate that MFRS 9 will be adopted in the Company's financial statements when it becomes mandatory and that the application of the new standard might have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings RM	Office equipment RM	Total RM
Net book value as at 1.1.2012	377	5,013	5,390
Additions	876	1,400	2,276
Written Off	(9)	(19)	(28)
Depreciation charge	(67)	(1,747)	(1,814)
Net book value as at 31.12.2012	1,177	4,647	5,824
Additions		1,474	1,474
Depreciation	(150)	(2,041)	(2,191)
Net book value as at 31.12.2013	1,027	4,080	5,107
As at 31.12.2012			
Cost	45,290	14,734	60,023
Accumulated depreciation	(44,113)	(10,087)	(54,199)
Net book value	1,177	4,647	5,824
As at 31.12.2013			
Cost	45,290	16,208	61,498
Accumulated depreciation	(44,263)	(12,128)	(56,391)
Net book value	1,027	4,080	5,107

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

	2013 RM	2012 RM
Furniture and Fittings	43,794	43,794
Office equipment	6,791	6,000
	<u>50,585</u>	<u>49,794</u>

7. OTHER RECEIVABLES AND DEPOSITS

	2013 RM	2012 RM
Other receivables	-	12,279
Deposits	5,605	5,103
Prepayment	-	115
	<u>5,103</u>	<u>17,497</u>

8. FIXED DEPOSITS WITH A LICENSED BANK

The interest rate per annum of fixed deposits as at balance sheet date range from 3.05% (2012: 3.05%).

The fixed deposits have maturity periods ranging from 3 months (2012: 3 months)

9. ACCUMULATED FUND

	2013	2012
	RM	RM
Balance as at 1 st January	258,065	257,019
Operating deficit for the financial year	(53,176)	1,046
Balance as at 31 st December	<u>204,889</u>	<u>258,065</u>

10. CONFERENCES AND SEMINARS

	2013	2012
	RM	RM
Conferences and exhibitions	45,417	72,366
Seminars and workshops	21,939	52,287
	<u>67,356</u>	<u>124,653</u>

11. ADMINISTRATION EXPENSES

	2013	2012
	RM	RM
Bank Charges	99	99
Computer expenses	1,079	1,468
Condolences/Donation	-	400
Electricity and water	4,667	3,553
EPF Contribution	5,844	6,104
Filing and attestation fees	182	398
Indah Water	406	348
Insurance	344	862
Medical Expenses	580	1,247
Office maintenance	2,506	2,723
Office Rental	12,264	11,300
Postage and courier service	1,304	774
Printing and stationery	2,868	2,023
Professional Services	6,000	7,000
Salaries and allowances	72,032	77,013
Service tax	252	228
SOCSO contribution	831	876
Staff amenities	161	65
Taxation services	1,300	1,200
Telecommunication	2,039	2,458
Travelling expenses	5,932	4,782
	<u>120,690</u>	<u>124,921</u>

12. INTERNATIONAL RELATIONS

	2013	2012
	RM	RM
Annual subscription to SEARCC	3,343	3,134
Annual subscription to IFIP	-	-
	<u>3,343</u>	<u>3,134</u>

13. OPERATING DEFICIT BEFORE TAXATION

Operating (deficit)/surplus before taxation is arrived at after charging/(crediting):-

	2013	2012
	RM	RM
Auditors' remuneration		
- current year	2,800	2,800
- underprovision in prior year	300	300
Deposit written off	-	370
Depreciation of property, plant and equipment	2,190	1,814
Office Rental	12,264	11,300
Property, plant and equipment written off	-	28
Staff costs	79,448	85,305
Subscription written off	11,464	13,450
Interest income	<u>(3,781)</u>	<u>(4,757)</u>

14. TAXATION

A reconciliation of income tax expenses on operating (deficit)/surplus before taxation with the applicable statutory income tax rate is as follows:

	2013	2012
	RM	RM
Operating deficit before taxation	<u>(53,176)</u>	<u>1,046</u>
Income tax for:		
First RM 1,046 (2011: RM 50,000)	(2,850)	-
Next Nil (2011: RM 1,480)	(603)	-
	<u>(3,453)</u>	-
Tax effects of:		
Non allowable expenses	674	-
Utilisation of temporary difference on capital allowance over depreciation previously not recognized	303	-
Unrecognised deferred tax assets	9,126	-
Effect of the income taxed at different statutory tax rates	<u>6,650</u>	-
Tax expense for the financial year	<u>-</u>	<u>-</u>

As at 31st December 2013, the Gabungan has the following temporary differences which are not recognized in the financial statements because it is not probable that future taxable income will be available to allow the temporary differences to be utilized:

	2013	2012
	RM	RM
Excess of net book value over tax written down value of property, plant and equipment	(727)	(5,843)
Unutilised capital allowance	2,742	17,350
Unabsorbed tax losses	79,947	373,323
	<u>81,962</u>	<u>384,830</u>

15. STAFF COSTS

	2013	2012
	RM	RM
EPF Contributions	5,844	6,104
Salaries and allowance	72,032	77,013
SOCSO contributions	831	876
Others	741	1,312
	<u>79,448</u>	<u>85,305</u>

16. FINANCIAL INSTRUMENTS**(a) Classification of financial assets and liabilities**

The following table summarises the carrying amount of financial assets and liabilities recorded at the reporting date by MFRS 139 categories:

	2013	2012
	RM	RM
Financial assets		
Subscription in arrears	7,898	11,412
Other receivables and deposits	5,103	17,382
Fixed Deposit with a licensed bank	126,377	122,596
Cash and bank balances	70,573	105,603
At the end of the financial year	<u>209,951</u>	<u>256,993</u>
Financial liabilities		
Subscription in advance	2,526	646
Accruals	7,643	4,221
At the end of the financial year	<u>10,169</u>	<u>4,867</u>

Further quantitative disclosures are included throughout these financial statements.

(b) Financial Risk Management Objectives and Policies

The Gabungan's financial risk management policy seeks to ensure that adequate financial resources are appropriately used for development of the Gabungan's activities whilst managing its interest rate, liquidity and credit risks. The Gabungan operates within clearly defined guidelines that are approved by the Council. The Gabungan is not exposed to foreign currency risk as the majority of the Gabungan's transactions, assets and liabilities are denominated in Ringgit Malaysia

(c) Interest Rate Risk

The Gabungan had no substantial long term interest bearing assets as at 31 December, 2013. The investment in financial assets are mainly short term in nature and they are not held for speculative purpose but have been mostly placed in fixed deposits which yields better returns than cash.

(d) Credit Risk

The Gabungan does not have any significant exposure or any major concentration of credit risk related to any financial instruments.

(e) Liquidity Risk

In the management of liquidity risk, the Gabungan monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Gabungan's operations and mitigate the effects of fluctuation in cash flow.

(f) Fair values of Financial Instruments

The carrying values of the financial assets and liabilities of the Gabungan as at the balance sheet date approximately their fair value.

16. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Council in accordance with a resolution by the Council Members 20 June 2014.

STATEMENT BY COUNCIL MEMBERS

We, the undersigned, being two of the Council Members of **GABUNGAN KOMPUTER NASIONAL MALAYSIA (175039-M)** do hereby state that, in the opinion of the Council Members, the financial statements set out on pages 17 to 36 are drawn up in accordance with the provisions of Companies Act, 1965 Malaysian Financial reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of Gabungan Komputer Nasional Malaysia as at 31 December, 2013 and of the results of its operations and cash flows of Gabungan Komputer Nasional Malaysia for the year ended on that date.

On behalf of the Council

PROF. DR AHMAD ZAKI A BAKAR

R. KUNASEELAN

Petaling Jaya,
20 June 2014

STATUTORY DECLARATION

I, **SYED MOHAMED SYED HUSSIN**, being the officer primarily responsible for the accounting records and the financial management of **GABUNGAN KOMPUTER NASIONAL MALAYSIA (175039-M)** do solemnly and sincerely declare that the financial statements set out on pages 17 to 36 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.

SYED MOHAMED SYED HUSSIN

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya
in the state of Selangor
on 20 June 2014

Before me :

S.A. DASS A.M.N

Commisioner for Oaths

No 34 A (Tkt Satu)

Jalan SS 2/67

47300 Petaling Jaya, Selangor D.E.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**GABUNGAN KOMPUTER NASIONAL MALAYSIA (175039-M)****(A Company Limited by Guarantee)****(Incorporated in Malaysia)****Report on Financial Statements**

We have audited the financial statements of Gabungan Komputer Nasional Malaysia which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 36

Council Members' Responsibility for the Financial Statements

The Council Members' are responsible for the preparation for the preparation of financial statements 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 1965 in Malaysia, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Gabungan Komputer Nasional Malaysia's preparation and fair presentation of the financial statements 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 Gabungan Komputer Nasional Malaysia's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**GABUNGAN KOMPUTER NASIONAL MALAYSIA (175039-M) (CONTINUED)
(A Company Limited by Guarantee)
(Incorporated in Malaysia)*****Opinion***

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Gabungan Komputer Nasional Malaysia as at 31 December 2013 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

Other Matters

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

C.H. WONG & CO.
Firm number: AF: 0365
Chartered Accountants

WONG HUNG CHEW 914/03/10(J)
Chartered Accountant

Kuala Lumpur

GABUNGAN KOMPUTER NASIONAL MALAYSIA (175039-M)
(Incorporated in Malaysia)
Company Limited By Guarantee

FORM OF PROXY

I, (Membership No :)
(Full Name in Block Capitals)

of

being a member of the Gabungan Komputer Nasional Malaysia hereby appoint

..... (NRIC :)

.....

as my proxy to attend on my behalf the Twenty Sixth Annual General Meeting of the Gabungan Komputer Nasional Malaysia to be held on Thursday 26 June, 2014 at 6.30 p.m. at the Arcadia 2, Level 3, Armada Hotel, Lorong Utara C, Petaling Jaya, Selangor Darul Ehsan and at any adjournment thereof.

Signature of member :

Dated this day of 2014

NOTES :

- 1 Appointment of a proxy must comply with Section 149(1) of the Companies Act 1965.
- 2 The instrument appointing a proxy shall be in writing under the hand of the member or his attorney duly authorised in writing.
- 3 The instrument appointing the proxy must be deposited at the Registered Office of the Gabungan at Unit 916, 9th Floor, Block A Damansara Intan, No. 1 Jalan SS 20/27, 47400 Petaling Jaya not less than 24 hours before the time set for holding the meeting.